

# NEW FRONTIERS

◦ PERIODICAL STUDIES IN ECONOMICS AND POLITICS ◦

## EUROPEAN TRADE UNIONISM AND POLITICS

BY FRANZ NEUMANN

EDITED BY CARL RAUSHENBUSH

WITH A PREFACE BY HAROLD J. LASKI

ACTIVITIES OF THE L.I.D. • BOOK REVIEWS

VOL. IV • NO. 4

JUNE, 1936

25c

# NEW FRONTIERS

PERIODICAL STUDIES IN ECONOMICS AND POLITICS

Ten Monthly Issues During the Year, Each  
Devoted to a Detailed Work of Research on a  
Current Vital Problem—the Kind of Authentic  
Research Material You Can't Get Elsewhere,  
PLUS One Volume—A Full-Sized Book on  
Economics or Social Problems in a Special  
New Frontiers Edition

NEW FRONTIERS is grand! How could it be anything else  
with Harry Laidler's article as the chief feature? But the  
whole thing is splendidly done, and I especially congratulate  
you on the handsome style and printing of the pamphlet.  
This is one of the best things the League has ever done."

—JOHN HAYNES HOLMES

The issue of NEW FRONTIERS containing Harry Laidler's  
article on the Constitution is an extremely valuable summary  
of the subject. It ought to be in the hands of every one who  
is concerned with political questions, and who is not?

—GEORGE SOULE,  
Editor, *New Republic*

o o o

## BOARD OF EDITORS

FREDERICK V. FIELD

MARY DUBLIN

MARY FOX

ABRAM HARRIS

SIDNEY HOOK

HARRY W. LAIDLER

JOSEPH P. LASH

ROBERT MORSS LOVETT

ALONZO MYERS

ORLIE PELL

CARL RAUSHENBUSH

ESTHER RAUSHENBUSH

JOEL SEIDMAN

MAXWELL S. STEWART

ROBERT G. WOOLBERT

THERESA WOLFSON

BUSINESS MANAGER

ROBERT O. MENAKER

o o o

Send subscriptions to

**LEAGUE FOR INDUSTRIAL DEMOCRACY**

112 East 19th Street, New York City



# NEW FRONTIERS

VOL. IV • NO. 4

JUNE, 1936

PUBLISHED MONTHLY FROM SEPTEMBER TO JUNE BY THE  
LEAGUE FOR INDUSTRIAL DEMOCRACY, 112 EAST 19th ST., NEW YORK CITY

## *EUROPEAN TRADE UNIONISM AND POLITICS*

*By FRANZ NEUMANN*

*EDITED BY CARL RAUSHENBUSH*

*WITH A PREFACE BY HAROLD J. LASKI*

•

## *BOOK REVIEWS*

## *SOME L.I.D. ACTIVITIES*



25 CENTS PER COPY • SUBSCRIPTION \$2.50 PER YEAR

---

---

## TABLE OF CONTENTS

---

SOME L. I. D. NOTES .....	3
EUROPEAN TRADE UNIONISM AND POLITICS	
<i>by</i> FRANZ NEUMANN	
Foreword to the American Edition .....	4
Preface to the British Edition, by H. J. Laski .....	5
CHAPTER	
I. Property and Trade Unionism .....	9
Property .....	9
Trade Unionism .....	11
II. Trade Unionism in the Nineteenth Century .....	13
Autocratic Liberalism and the Prohibition of Trade Unions .....	13
Enlightened Liberalism and the Toleration of Trade Unions .....	15
III. Democracy and Trade Union Recognition.....	19
The Triumph of Trade Unionism .....	19
IV. The Totalitarian State and the Destruction of the Trade Unions .....	35
Fascism .....	35
National Socialism .....	43
Clerical Fascism .....	49
V. The Trade Unions in Bolshevist Russia .....	50
VI. The Fight for Democracy and the Trade Unions.....	56
Bibliography .....	60
MARX, THE MAN .....	62
Some L.I.D. Activities (Continued) .....	63



## *Some L. I. D. Activities*

IN THE February *Bulletin* of the League for Industrial Democracy we recounted some of our activities for the year 1935.

During the last six months, the League has been continuing its activities with vigor.

### LECTURE SERIES

Among the most effective educational ventures of the L.I.D. has been its Lecture Series. Organized five years ago as an important development in adult education on fundamental economic and political problems, the L.I.D. Lecture Series has constituted an important part of the intellectual life of many a community in the East, South and Middle West. New territory for the L.I.D. was developed in the Southwest, including Austin, Dallas, San Antonio and Little Rock. As always extra meetings were secured in various cities before Central Labor Unions, universities, luncheon groups, etc. Six of the cities secured time over the local radio stations for our speakers. Despite a wave of reaction and bitter blizzards in the midwest and northeast our audiences kept up in size with an average of two, three and four hundred at all meetings with a top of eight hundred.

### CITY CHAPTERS

Our City Chapters this year have functioned effectively in many parts of the country.

*New York.* The largest of these chapters is that in New York City. The New York Chapter this year selected Mary Hillyer, for several years Director of the Lecture Circuits, as its Secretary. The Chapter has, during the last few months, shown marked activity. Mary W. Hillyer reports these activities as follows:

"The activities of the Chapter in the Spring of 1936 included several luncheon and house meetings with two of particular interest. One centered on Edward Levinson's book, *I Break Strikes*, with labor leaders participating in the discussion. The other was a sharecropper luncheon planned in cooperation with the Community Church. Two sharecroppers from the Southern Tenant Farmers Union spoke and the daily sharecropper meal of black-eyed peas, turnip salad, corn pone and coffee was served. Regular prices were charged for the luncheon and a collection was taken which netted a generous contribution to the sharecroppers.

"The New York Chapter has been active in trade union work in the city, cooperating particularly with the rank and file strike of the International Seamen Union, and has aided in the formation of a Citizens' Committee to cooperate with the Utility Workers Union.

*(Continued on page 63)*



## *Foreword to the American Edition*

THIS survey of *European Trade Unionism and Politics* was published in Great Britain under the title *Trade Unionism, Democracy, Dictatorship*, by the Workers Educational Trade Union Committee. It is here considerably revised.

The booklet is confined to the European situation, but two others are projected for the Fall of 1936 which will deal with the industrial union movement and with the middle class in America.

Dr. Neumann in the following pages describes the importance of the state to European trade unions. In America, the relation between state and unions differs materially from that described under "Trade Union Recognition." To American unionists the state is important chiefly because of restrictions on strike activities, through the action of police and courts. The unions have not formed a political party, but have striven to obtain legislative favors through the support of specific candidates put up by the major political parties. The union has not become a recognized social organization, entrusted with the duty of helping to enforce factory laws, or even with a paper power of examining the books of industry and of attending meetings of the board of directors. Nor is the state as important an employer of labor as abroad, where a greater number of industries are publicly owned. Organized labor rarely strikes in America for political ends. American unions seldom get state decrees which extend to non-union establishments the wage-scales that have been negotiated with the unionized part of the industry. An exception, however, might be noted in the coal industry from 1933 to the Supreme Court decision in the Guffey Case in 1936.

There were, however, two periods in American history when the traditional American policy in relation to labor activities was reserved, namely during the World War and under the N.R.A.

It is often said of the United States that here the doctrine that unions and all their works are unlawful never found acceptance; that the country passed directly to "Trade Union Toleration" without ever suffering from "Trade Union Prohibition." But when attempts to unionize are made where unions have not been known before, the repressive measures of employers and of state agencies indicate that much of the area of the United States is still in the "prohibition" era. Other parts of the industrial field have been brought to the point of tolerating unions. In some, however, "triumphant" unionism has aroused an organized opposition which has meant "Trade Union Destruction." Both prohibition and destruction are accomplished by methods of suppression which resemble those of fascist countries. Both such areas presumably would support the sterilization of unionism in the event of war.

CARL RAUSHENBUSH



## *Preface to the British Edition*

---

DR. NEUMANN'S little book will, I think, be found of real value to all serious students of the working class movement. He has set out the implications of certain fashionable ideologies, the understanding of which is vital if British trade unionism is to avoid the catastrophies which have attended the labor movement elsewhere. He has done so with a consciousness possible only to one who speaks with profound knowledge of the movements he discusses and practical insight into their operation. As a distinguished exile, Dr. Neumann knows at first hand the continental experience whose results he has analyzed. I hope his account will stimulate British trade unionists to strengthen the foundations of their own defence.

For his analysis makes it clear that the real character of the anti-democratic movement is the destruction of the right of the worker to safeguard his interests by free association. Stripped of its ideological pretensions, the fascist state is simply a mechanism for handing him over, defenceless, to the exploitation of the capitalist. All its elaborate institutions do not conceal the final facts that, under its operations, the conditions of labor are mainly worsened, and the classic defences against this deterioration are no longer open to the worker. We are, of course, tempted to insist that a misfortune like fascism could not happen to ourselves. But the Austrian and German workers said the same thing; and the causes which led to the success of fascism in their countries are at work here, even if the soil is historically less favorable to their growth. The roots of fascism are not national but universal. They lie in the inability of capitalism, especially in a political democracy built upon universal suffrage, to make the profit motive work in the period of its decline. Unless the workers understand the significance of this, and act in the light of that understanding, the trade union movement in this country is no more safe than it has proved to be elsewhere.

Nor must we underestimate the degree to which, under the mask of constitutional forms, fascist tendencies are already at work in Great Britain. The Trade Union Act of 1927 was a typical species of the genus which fascism has made classical. It forbids the general strike and sympathetic strikes; where these take place, it puts trade union funds at the disposition of judges who have not been notable for their sympathetic understanding of trade unionism; and it cuts off something like 200,000 civil servants from the enjoyment of trade union rights. All this is done in the name of the supposed inescapable duty of the state to protect the community. Yet it is clear that the real way to deal with strikes is to remove the grievances which lead to their occurrence; and for this no recent British government has shown any effective concern. And it is



clear, also, that the employers could ask nothing from the government so helpful to them as the assurance that legal action in the courts will follow upon any expression by the workers of industrial solidarity.

Nor must we forget that the Trade Union Act of 1927 does not stand alone. The decline in respect for liberty is a notable feature for our time. It is evident in the greatly increased number of prosecutions for sedition, in the imprisonment of Tom Mann and Emrys Llewellyn when they were held guiltless of any offense, and in the Incitement to Disaffection Bill, which is now on its way to the statute book, despite the fact that the widespread protest it has evoked has been upheld even by Conservative lawyers of great eminence. It is shown also in the decision, by the Unemployment Act of 1934, to prevent parliamentary interference with the conditions established for the unemployed. It is again, in the large scale subsidization of industry without any safeguards being introduced for reasonable standards of hours and wages to the workers employed in them. Capitalism in distress throws the burden of its difficulties, as in Italy and Germany, upon the worker and the taxpayer; it does the same thing in Great Britain, if in less degree. Dr. Neumann is, I think, wholly right in his insistence that, despite difference of national tradition, the same economic causes will tend to produce the same political effects unless the workers are prepared to defend their historic freedoms.

It is, moreover, important to realize that the psychological hold of the trade unions upon their members is, for various reasons, less intense than it was even a generation ago. The memory of the great struggles in which they were born means much less to the younger generation. Many of the services they once provided are now offered by the state so that trade union membership is no longer a condition of their enjoyment. Machine technology has destroyed a good deal of the significance of the older craftsmanship. The decadence of the staple industries, the expansion of new trades, particularly in distribution, has seriously interfered with the fulfilment of trade union purposes. And the great depression has had the inevitable effect of driving the trade unions more and more into politics where they find, from the very nature of the capitalist system, that the incidence of the employers upon the machinery of the state is inevitably greater than anything they can hope to exercise. All the successes of trade unionism in the twentieth century have still left untouched the central citadel of capitalism.

But the growth of the labor movement on its political side threatens that citadel; hence the parallel growth of fascist tendencies. The decline of faith in parliamentary government is not, I think, any proof of its administrative inadequacy compared with its fascist alternatives. On the contrary, it is rather the proof that, when its conditions are fully observed, it enables the workers to capture the machinery of the state and becomes suspect to the votaries of



capitalism as this victory is seen to approach. There is not an argument in the arsenal of those who attack the parliamentary system which was not a commonplace of discussion in the Victorian age. The difference is that then the owners of property felt secure. Today, when they suspect that their privileges are in danger, the old arguments assume the proportions of a religious faith. Men always suspect the workings of democracy when it moves to the establishment of results they do not like. The degree to which the privileged classes resent it ought, for the readers, to be the measure of its value.

It is, I think, an implication of Dr. Neumann's work that it has become urgent for the trade union movement to form an unbreakable alliance with those in the middle classes whose interests march along with its own. German, Italian, and American experiences have all shown the significance of the professional worker in a critical epoch such as ours. Labor has an interest in that maximum production which it is the function of the professional worker to secure. At present he is subordinated to the interest of the profit motive; and scientific competence, as Veblen has shown in his notable books,\* is sacrificed on that altar. The more fully he can be convinced that trade union purposes are in harmony with his own the more assured are those purposes of fulfilment. At present, with rare exceptions, his psychological affiliations are all the other way. His knowledge and ability need to be organized for trade union service; and the making of such an alliance is, as the experience of Russia has shown, fundamental to the success of trade unionism, even to its survival. It is an alliance that needs to be made quickly if it is to bear its fruit. For Italian and German experience show decisively how rapidly fascism moves to its appointed end once it is well under way.

I may perhaps annotate here a mild disagreement I have with Dr. Neumann, upon the significance of trade unionism in Russia. I think he underestimates the importance of its functions there. But I think he has also failed to see that proletarian dictatorship necessarily suspends the free market, and that this, as a consequence, makes the function of trade unionism quite different from what it must be in a capitalist state. The compensation, which he does not mention, is all important. It lies in the knowledge that the successes of Russian industry are reflected in the worker's well-being; and that there is no deduction from that well-being by way of rent and interest and profit for the benefit of the owning and managing classes in the society. And, further, it is true to say of the Russian system that, with grave defects, it enables the worker, through his trade union, to win opportunities in the disposal of his industrial life which are definitely not open to him in capitalist countries.

No study of the relation between trade unionism and dictatorship is adequate

---

\* *The Theory of Business Enterprise and The Engineer and the Price System.*



unless it emphasizes the elementary fact that fascism preserves all the characteristic features of capitalism. Its state may take high-sounding names like the "Corporate" state. It nevertheless remains a society dominated by the interests of those who own the instruments of production. It is vital that the arrival of Mussolini to power was the result of an agreement with the army and the great industrialists; it is vital that Hitler obtained power on similar terms. The Russian dictatorship, with all its faults and errors, is free from the need to think first and last of the interests of private property. Its achievements, as they grow to maturity, accrue solely to the benefit of the common people.

We in Great Britain may still hope to avoid the revolutionary solution of our difficulties. But we shall avoid them only so far as trade unionists are fully aware of what they are and develop the strategy necessary to overcome them. It is not going to be an easy task. It will call for a reconsideration of principles born in an epoch when trade unions did not need to challenge the foundations of the capitalist system. The necessity for such a challenge has now arrived. The value of a book like Dr. Neumann's is the clarity with which it sets out the implications of this position.

HAROLD J. LASKI



# EUROPEAN TRADE UNIONISM AND POLITICS

•  
BY FRANZ NEUMANN

EDITED BY CARL RAUSHENBUSH  
WITH A PREFACE BY HAROLD J. LASKI

---

## CHAPTER I

### PROPERTY AND TRADE UNIONISM

#### PROPERTY

PROPERTY is not merely control over material things. Property is a relation between men, through the medium of things. Property in the means of production confers also power over human beings. Herein lies the main function of property. By virtue of his control over material things, the property owner controls the individual as worker, consumer, and citizen. The worker is divorced from the means of production. The only property he disposes of is his labor power. But he can turn his labor to useful account only by combining it with the means of production, which do not belong to him and about which he has no say. Property in the means of production, therefore, exerts a twofold effect on the worker:

Property attracts the worker into its sphere. This is the situation when society is divided into owners of the means of production and "free" workers—who are free in the way in which an emancipated slave is free, legally free and also free of property. By drawing the worker into an endless chain of daily contracts for the sale of his labor power, property forces him to convert, if possible, his labor-power into money. The worker cannot escape the magnetic pull of property if he wants to live and reproduce his labor-power.

Property also implies power. From the moment the worker enters the factory gate, he surrenders part of his personal freedom, puts himself at the disposal of an authority outside himself, and comes under a foreign sway. The functions of attraction and constraint are therefore the two decisive effects which private property exerts on the worker.

Over and above this, the property owner dominates the worker as consumer; and he dominates the worker as citizen, that is, he dominates the state.

#### SOURCE OF OWNERS' POWER

The property owner exercises this dominion in five different spheres. His control over the worker becomes effective in the first instance in the *shop*



(factory, mine, railroad, store, office), the technical unit of the enterprise. Here the worker works. Here he experiences the authoritarian power of his employer.

The economic power of the employer is embodied in the *enterprise*. It is here that decisions on economic questions are taken—how much to produce, what prices to ask, etc. The enterprise may of course be that of a single property owner, or a corporation benefitting a number of large and small owners, or a combination of several companies into a cartel, trust, or trade association.

The worker's wages and conditions of employment are determined in the *labor market*. This is the third place in which property in the means of production exercises its authoritarian function. The worker's wages and conditions of employment are determined in the labor market by the owner of the means of production. The contract between employer and worker—in the absence of trade union action or favorable state intervention—is only formally a free contract. The form disguises the dictatorial power of the employer. A man who must work if he is to live cannot bargain freely.

The power of property over the consumer finds expression where the property owner is in a monopolistic position: that is, where he is able, through economic power, to raise his prices and conditions of sale above the level at which they would be if free competition prevailed. Here, in the *commodity market*, the monopoly dictates the prices and other supply conditions which the consumer must accept. This is done mostly by associations; but some large companies are also able to do it, and even the smaller company can rule the ultimate consumers' purchasing by means of an advertising campaign which penetrates the consumers' defenses.

The fifth and last sphere in which property's power of domination becomes patent is the *state*. In the state, property exercises decisive political functions, which vary according to the particular historico-political situation, and some of which will be detailed in this study.

#### THE PROBLEMS TO BE SOLVED

The power of property to draw men into labor contracts and to dictate their behavior when at work sets the working class and the state a series of problems. The central problem confronting every workers' movement and every state is the problem of restricting and finally abolishing this power relation. But abolishing it must not, of course, be interpreted to mean the abrogation of every form of superior-subordinate relationship. Obviously, every community of work presupposes organization, and organization necessarily implies discipline. The problem in question is rather that of replacing the employer's dictatorial power by a democratic power which the workers shall either share or which they alone shall wield.



Taking the five points enumerated earlier, we may divide this problem into five problems which the working class movement and the state are called upon to solve.

First, there is the question of preventing the unscrupulous exploitation of the worker's labor power inside the *shop*, through regulations for safeguarding the energy, health, life, and limb of the worker.

Over and above this there arises in the shop, where the employer's power of constraint becomes visible, the further question of the employees sharing in control and administration. Since many decisions on economic matters originate in the shop and all affect the shop, the workers' movement and the state are confronted with the problem of obtaining for themselves a share in the management of the *enterprise*, association, cartel, or trust.

The labor market cannot be left to the dictatorship of property, which has never shown a sense of responsibility at all corresponding to its power. The labor movement and the state must therefore find ways and means of influencing the *labor market*: that is, they must bring about practices, rules, and regulations which give them a share in determining wage rates and conditions of employment.

Nor can the consumer be left to the monopolists' power. The problem that arises in the labor market also presents itself in the *commodity market*. Here an analogous problem suggests itself: Are the state and the social organizations to have powers over supply-conditions and prices, which at present are fixed by the monopolists?

Ultimately the fight to smash the power of property will have to be waged in the citadel of the rule of private property, the *state*.

#### TRADE UNIONISM

The organizations which, among others, have set themselves the tasks of countering the power of property are the trade unions. The functions of the trade unions may be said to fall under three heads. First, they execute the functions of *friendly societies* or benefit societies. Since they do so, the unions are based on the principle of mutual help. They help their members in the most diverse ways. They grant them sickness and accident benefits, out-of-work pay, strike and lock-out pay, and old-age allowances. They give legal aid to their members in the courts. Some of them provide a very wide variety of educational schemes. They contribute to the political and vocational training of their members and officials. For this purpose they must have their own press, their own places of meeting and assembly, and their own administrative staff. Finally, they have tribunals of their own, whose function it is to settle disputes between a member and his organization and between one organiza-

tion and another. In all these directions the trade unions carry on pioneering work. Almost all the state systems of unemployment relief, labor exchanges, accident and sickness benefits, are modelled on the autonomous arrangements devised by the trade unions. This group of functions of the trade unions (the inner trade-union functions) has been carried furthest in England, and it had a marked effect on the character of German trade unionism.

#### COLLECTIVE BARGAINING

The second function of the trade unions is the *marketing function* or collective bargaining function. Through this function the unions aim at the control of the labor market. They meet the power of private property over the means of production with the power of the organized workers. Here their function is a twofold one. They either lay down the conditions of work and the wage rates, or, in so far as the state regulates these conditions, the unions' executive staffs undertake to see to it that these regulations are carried out. But of these two, the most important means of setting wage rates and conditions of work is the collective agreement. To create an agreement, unions use negotiation and investigation, and exercise influence and persuasion on the authorities of the shop and the enterprise. Back of this lies their final weapon, the strike and boycott.

#### TRADE UNIONS AND POLITICS

Finally, however, the trade unions are *political* unions. Their aim is not only to control the labor market, not only to assist their members, but also, at the same time, to influence and bring pressure to bear on the state. This effort to influence extends to all three functions of the state,—the legislative, the executive, and the judicial. To this end the trade unions resort partly to direct methods, by participating in the administration of the state, by negotiating with the state officials, or by waging a political struggle in the form of a strike. More often they use indirect methods to attain their objective—as do many other social pressure groups. Particularly they try to get their demands satisfied through the agency of political party and a parliamentary group.

It is impossible to say which of the three activities of the unions—that relating to benefits, to the market, or to the state—is of greatest importance. That all depends on the particular historical, political, and economic situation in which the unions find themselves. The attempt to influence the state is always present, and always basic, partly because the state affects the benefit and market functions of these workers' organizations.

To sum up, the unions' aim is always a twofold one: (1) to raise the standard of life of their members and thereby also of the whole working class; (2) to realize the idea of freedom which inspires the workers' movement, that is, to



free labor from the fetters of property and to replace the power of property by communal control. The unions strive not only to secure high wages and decent conditions of work for the worker but also to win for him a new social and political status.

## CHAPTER II

### TRADE UNIONS IN THE NINETEENTH CENTURY

TO BEGIN the account of trade union development by going back to the middle ages would serve no useful purpose. However interesting such historical descriptions are, they have no real importance for us; we should be comparing the incomparable. Associations of journeymen in the medieval economic system were not trade unions. Conflicts between journeymen and master workmen in the medieval regulated economy were conflicts within one and the same class. For private property in the pre-capitalist era consisted of ownership of one's own tools of production. The worker was not yet divorced from them.

The history of the right of combination begins, for us, as capitalistic society evolves for itself a legal order conformable to the needs of the capitalists. "Combination" presupposes a proletariat. But a proletariat is possible only where property in the means of production is private and is inaccessible to most citizens.

If we look at the development of the relation between the state and the trade unions, we can distinguish four stages, though it must be understood that these stages overlap and that traces characteristic of any one of them reappear in the next stage. In this chapter, we will take up the stages of autocratic liberalism and enlightened liberalism; in the next the stage of modern democracy, and, in the next two, the totalitarian state and the bolshevik state.

In a realistic account such as this, we understand by "the state" *a mechanism of coercion which claims and successfully uses the monopoly of force for the pursuit of certain definite ends*. Theories and ideologies of the state are quite unimportant in this connection. We insist on the actual fact that every state lays claim to the monopoly of breaking the will of the individual by force, if necessary.

#### AUTOCRATIC LIBERALISM AND THE PROHIBITION OF TRADE UNIONS

In the early period of capitalism, trade unions were illegal. Prohibiting every combination of workmen formed for the realization of social aims—this is a feature of the history of all capitalistic states. The outstanding example of this is *France*. By the LeChapelier law, passed June 14, 1791—only two years after the Revolution—France prohibited every form of workmen's combination. Under articles 414-416 of the penal code, it forbade workers' organizations

to make decisions or name chairmen or secretaries, and forbade state officials to receive any petitions from these organizations. This anti-trade-union law was still further strengthened by the law of April 10, 1834.\*

The French Revolution exerted a great influence on *England*, for it frightened the governing class and, as a result, the state suppressed the trade unions: Pitt's law of 1799, the "Corresponding Societies Act," forbade separate local trade unions to combine. By the Combination Acts of 1799 and 1800, every unlicensed combination of workmen was punished as an act of conspiracy against the state.

In *Prussia* the same development took place. The general civil code (*das allgemeine Landrecht*) forbade stopping work on workdays, and so prevented the use of the main trade union weapon, the strike. Section 182 of the Prussian industrial law of 1845 prescribed severe punishments for assistants, journeymen, and factory workers who aimed at inducing other persons to bring pressure to bear on the authorities or at effecting a stoppage of work. By the law of April 24, 1854, these bans on combination were extended to apply to domestic servants, agricultural and forest laborers, and river and ship workers. The Prussian mines and collieries act of 1860 forbade industrial combination among the miners.

In *Austria*, the penal code of 1803 prohibited every kind of agreement among workmen, as well as other combinations. The code of 1852 again interdicted various forms of economic union.

It is a striking fact that, in all these countries, the period of anti-trade-union legislation sets in at about the same time. The reasons for this are obvious. Awakening capitalism did not want to be trammelled by any opposition from workers. However, the employing class justified the anti-combination laws on the ground that they were necessary to the development of the individual and of society. Typical is the speech delivered June 14, 1791, in Parliament by LeChapelier, sponsoring the French anti-combination law:

There remains only the interest of the individual and the interest of the commonweal, and no one is entitled to win over citizens for the pursuit of any interests which conflict with these and alienate them from service to the state through the medium of corporate interests.

It is remarkable how strongly this ideology resembles that of fascism.

This period may be called the era of the prohibition of combination. However, during this period, a certain amount of trade union activity took place. Here, as so often, social forces proved stronger than the state. In *England*, for instance, one need only recall the Luddite riots of 1808-1812 and the strike

---

\*According to a statistical report covering 1825-1848, 7,148 persons were charged with breaches of the trade union law, and only 1,081 were acquitted. 1,251 trade unions were, during this period, subjected to interference by criminal courts.



of the Lancashire cotton spinners in 1808. In 1813-1814 Parliament abolished the protective legislation embodied in the Elizabethan laws providing for local regulation of the apprenticeship system. The rescinding of these laws led to a period in which naked individualism was triumphant.

During this period collective contracts for the regulation of conditions of employment were made null and void. Trade unions were dissolved. Membership in unions, no less than union activity, was a punishable offense. Thus freedom in the capitalist system had revealed itself as simple freedom to exploit, with the sanction of law behind it.

#### ENLIGHTENED LIBERALISM AND THE TOLERATION OF TRADE UNIONS

Despite the opposition of the state, the trade union organization achieved so great a measure of success that in all states the government was forced, sooner or later, to rescind the anti-combination laws. The earliest signs of the victory of the trade union idea were to be seen in *England*. The law of 1824, repealing all prohibitions against combining, established the legality of trade union organizations. Henceforth simply belonging to a trade union was no longer punishable.

But the development had gone too fast. The law seemed so favorable to trade unions that there was an immediate reaction and a new act of Parliament was passed in 1825. This inserted penal clauses severely restricting the freedom to combine and set narrow limits to union activity. Workers were allowed to hold meetings to discuss wages and hours of labor, and agree among themselves about these matters. However, trade unions had no legal status as corporate bodies; they were therefore unable to sue officers who misappropriated their funds. Furthermore, the act of 1825 pronounced against "intimidation, molestation, and obstruction," with the result that practically all the usual steps taken in threatening to strike and in carrying out a strike were legal misdemeanors. Since the courts were inclined to construe this law strictly, the exercise of trade union functions, and especially resort to the strike, was extraordinarily difficult. Also, the courts separated trade union action in the industrial sphere from action in the political field, and penalized the latter especially heavily.

Yet, in spite of all of these counter-attacks, the period of the formation of trade unions centers around these years, especially since the Reform Act of 1832 did not include the workers in its extension of the right to vote.

During these years we hear of such attempts at organization as Robert Owen's Grand National Consolidated Trades Union of 1833—an attempt to unite all British trade unions with the Owenite cooperative and socialist movement. The Grand National collapsed as early as 1834, but many of the unions affiliated with it continued to exist as separate bodies.

These unions were the nuclei for the revival of British trade unionism. The decisive steps in the revival were the formation of the National Miners' Association in 1841 and the formation of the Amalgamated Society of Engineers (machinists) in 1850-1851. The Miners' Association, however, broke into a number of independent county organizations, and only in 1888 was it re-organized into the Miners' Federation of Great Britain. The London dock strike of 1889, and the formation in 1900 of the Labor Representation Committee were two outstanding events of British trade union history in the last half of the nineteenth century. The Labor Representation Committee became the British Labor party.

Within this period, also, falls the beginning of progressive labor legislation, such as the limitation of the long working day for children, restrictions on the employment of children and women, and the introduction, in 1847, of the ten-hour day for women.

During the last half of the nineteenth century, a number of liberalizing laws were passed, with a view of freeing the unions from the reactionary decisions of the courts. The Molestation of Workmen Act of the late fifties interpreted the freedom of the trade unions, and extended its range.\* This act, however, left it to the courts to say which objects of trade-union activity, beside wages and hours, were lawful ones, and which were illegal.

The Trade Union Act of 1871 provided that a trade union would not be illegal merely because, as a union, it necessarily sought to restrain trade. It could acquire legal status by registering with the Registrar of Friendly Societies. Thus trade union funds were protected, since unions were able to bring actions against defaulting union officials and outsiders who had made business contracts with the union.†

However, the Criminal Law Amendment Act, also passed in 1871, left the way open for an attack against strikes. Although the strike in itself would be lawful, the threat of strike was not. The Conspiracy and Protection of Property Act of 1875 finally freed ordinary strikes, within certain limits, from their criminal character.‡ Yet the vaguely-worded and strictly-construed criminal

---

\*No employee or striker was to be held guilty of obstruction, or be indicted for conspiracy, because he entered into an agreement with others about the wages at which they would work or because he tried, peaceably and in a reasonable manner, and without threat or intimidation, direct or indirect, to persuade others to stop work to improve wages or hours. But he was not permitted to induce others to break their contracts.—*Ed.*

†But agreements among the members, for instance as to the right to claim benefit-payments from the union, were not enforceable at law. Unions have to rely on the voluntary allegiance of their members and their power of expulsion, while members must rely on the good faith of the governing body.—*Ed.*

‡Workers were not to be indicted for criminal conspiracy for carrying on strike activities in concert which it would not be criminal to carry on singly. But the



law against intimidation remained to obstruct union activity.§ And the Taff Vale decision of 1901 brought a regression, holding trade unions could be sued for damages and were liable for the wrongful acts of their officials.° The Trades Disputes Act of 1906 rescinded this decision of the courts, after a strong political campaign by labor.¶

In the *Osborne* case, in 1909, it was decided that all those activities of the trade unions which had not been recognized by the laws of 1871-1875 were illegal./ Thus, with the year 1906, we may consider the period of increasing toleration to have come to an end.

However, the trade union movement grew steadily from that date to 1919, especially during the world war. This, and the later decline, can be seen in the following figures on British unionism.

<i>Year</i>	<i>Number of Unions</i>	<i>Union Members</i>
1892	1,233	1,576,000
1900	1,323	2,022,000
1910	1,269	2,565,000
1919	1,360	7,926,000
1925	1,165	5,505,000
1930	1,105	4,839,000
1932	1,060	4,441,000

act also made it a punishable offense for gas or water-supply workers to break their contracts wilfully and maliciously.—*Ed.*

§The influence of the courts, on the initiative of company lawyers, is seen in three leading decisions: In 1893 it was held that it would be actionable not merely to persuade men to quit work without notice, but also to persuade men not to work for a particular employer. In 1896 an injunction was issued on the ground that picketing was "illegal watching and besetting." In 1901, in *Quinn vs. Leatham*, it was announced that, while the law of 1875 prevented criminal-conspiracy charges, employers could charge civil conspiracy and so get damages when workers did in combination what they were legally free to do separately, namely, give notice that they were going to leave work.—*Ed.*

°This, taken together with the *Quinn vs. Leatham* decision, meant that, however peacefully a strike was conducted, if it damaged the employer at all, trade union funds could be attached.

¶This act went somewhat further than rescinding the court decision. It overruled *Quinn vs. Leatham*, so that workers were free to do in concert whatever they were free to do singly. It said that a strike could not be attacked either civilly or criminally on the ground that workers were being urged to break contracts of employment or on the ground that it interfered with trade, for instance by urging a prospective strike-breaker not to take the job. The act forbade suits against trade unions for damages because of civil wrongs of which they might be accused. This applies even to acts not done in furtherance of a labor dispute. Peaceful picketing was defined to include "peacefully persuading any persons to work or abstain from working."—*Ed.*

/The decision forbade unions to exact contributions from their members to put labor members into Parliament. The Trade Union Act of 1913 overruled this; to to be sure, any union members who cared to could file a dissent and exempt himself from the payment. In 1927 Parliament told the unions that they would have to get the written consent of members before these could be levied on.—*Ed.*

The General Council of the Trades Union Congress, to which the overwhelming majority of the unions are affiliated, reports a steady progress in membership during the years 1933, 1934, and 1935.

Owing to the long historical tradition of British trade unionism, there is no clear-cut principle underlying the organizational structure of the trade unions. Three types may be distinguished: industrial unions, such as the Miners' Federation and the National Union of Railwaymen; craft unions, such as the building, printing, and engineering unions; and "general labor" unions. The trend, however, is undoubtedly towards industrial unions.

In *France* unions for a long period were formed despite the law. And the provisional government in the Revolution of 1848 conceded the right of combination in the decree it issued on February 27 of that year. But the reaction, which lasted from 1849 to 1860, led to the compulsory dissolution of the trade unions and to ruthless punitive measures against them. During 1853-1860 there were 3,297 convictions of trade unionists.

The law of May 25, 1864, at last brought recognition that workers should be free to combine. But here again, just as in the English law of 1825, the restrictive criminal laws were maintained. Furthermore, the Commune of 1871, which swayed the destinies of France for a brief span of time, led once more to a ruthless reaction by the state. By the law of March 14, 1872, strikes were declared illegal, and it was only after the enactment of the law of March 21, 1884, that freedom to combine was definitely granted. Even then, the trade unions were denied the right of forcing their members to observe the disciplinary rules laid down by them. This period of toleration lasted till 1919.

In *Germany* the period of prohibition lasted until 1869. The industrial code of the North German Confederation, passed in May of that year, abolished the ban on combination for the first time, but only for industrial workers. The regulations did not affect agricultural laborers, domestic servants, seamen, or state employees, who were all still forbidden to combine. Criminal laws, similar in character to those of England of 1825, imposed insuperable difficulties on trade-union activities.

The repeal of Bismarck's anti-socialist laws and the enactment of the industrial code made possible the formation, in 1890, of the "Generalkommission der Gewerkschaften," a central body of the "free," that is, socialist, unions. After the War, in 1919, this organization was transformed into "der Allgemeine Deutsche Gewerkschaftsbund," a body similar to the British Trades Union Congress or the American Federation of Labor.

In *Austria* the period of suppression lasted till 1870. Freedom to combine was conceded by the law of March 7, 1870, but combinations received no legal status.

*The common characteristic of this period of toleration was that the social*



power of the working-class movement and its fight against the state eventually led to a situation in which the state, while no longer daring to attack the existence of the trade unions directly, sought to make their life and activity as difficult as possible, by means of a whole series of special provisions, with the help of the penal code and the courts of law, and in particular through the police force. Philip Lotmar, the pioneer of the German labor law, summed up this period in these words: "Die Gewerkschaft is frei, aber sie ist vogelfrei." "The trade union is free, as free as an outlaw."

### CHAPTER III DEMOCRACY AND TRADE UNION RECOGNITION

#### THE TRIUMPH OF TRADE UNIONISM

THE triumph of democracy brought with it the recognition of the trade unions, gave them a new status, and acknowledged without reservation their threefold function as social, market and political organizations. This development found its clearest expression in Germany, England, and Austria.

The *German* trade union movement has a short but stormy past.

At the end of 1877 there were 30 socialist, or "free" trade unions. Of these 25 were central organizations with a membership of about 50,000. The democratic trade unions had roughly 42,000 members. Bismarck's anti-socialist law of October 19, 1878, suppressed the socialist trade unions, though, after the revocation of the law they revived rapidly and vigorously. In 1890 the socialist trade unions joined forces under the leadership of Carl Legien. The great upward swing of the movement dates from this time. The democratic trade unions on the other hand stagnated, and only their salaried workers' section attained significance.

In 1891 were founded the Catholic or Christian trade unions, which gained a foothold mainly in Catholic Rhineland and Westphalia. They too had their centre of gravity in the salaried workers' unions. There were also some insignificant local unions and national laborers' unions, which never had any important influence.

The number and membership of the chief unions of manual workers was:

YEAR	FREE TRADE UNIONS		CHRISTIAN UNIONS		DEMOCRATIC UNIONS	
	Number	Members <i>in thousands</i>	Number	Members <i>in thousands</i>	Number	Members <i>in thousands</i>
1891	62	278	—	—	18	62
1900	58	680	—	—	20	91
1903	—	—	—	91	—	—
1914	49	2,075	25	343	23	77
1922, inflation	49	7,800	19	1,049	21	230
1924, stabilization	41	4,600	18	612	20	149
1930	31	4,800	18	658	22	163
1931	30	4,412	18	578	23	181

Among the free or socialist unions the strongest were the metal workers with nearly 1,000,000 members; the state and municipal employees and transport workers (except railwaymen), about 700,000; building workers, about 500,000; and factory workers, (unskilled only, especially chemical workers) about 450,000. All the big unions were industrial unions. The trend toward concentration into fewer unions was clear.

We find a different state of affairs among the salaried or professional workers' unions. Here the influence of the Democratic group and of the "National Germans" was preponderant, especially after 1930. For the members of the socialist salaried-workers' unions were to a very large extent employed in co-operative stores, social insurance organizations, and municipalities, where a strong socialist and trade unionist influence prevailed; and when, after 1930, this influence weakened, the stimulus to join the socialist salaried workers' unions also waned.

The "Deutschnationale Handlungsgehilfen Verband" (Union of National German Commercial Clerks) which became one of the most important groups of the National Socialists (Nazis), grew steadily from 160,000 in 1914 to 409,000 in 1931. This organization took in men only. The corresponding women's organization had 92,000 members in 1931.

The democratic union of salaried employees in 1931 had 327,000 members (men and women).

On the other hand, the socialist salaried employees' union in 1931 had only 203,000 members (men and women). 125,000 foremen and 62,000 technicians were organized in socialist unions. But these two groups were in the socialist unions only through force of habit. They were the first to drop out. Thus, strong as were the roots which the socialist trade unions struck in the manual workers' movement, these unions were lamentably weak in the salaried workers' movement. What the causes of this were, and to what consequences it led, will be seen presently.

The German constitution of August 11, 1919, vested the trade unions with the strength of special recognition, in Articles 159 and 165. In the first place, the constitution acknowledged their existence vis-a-vis the state. The cabinet, no more than the legislature or the police force, was to have the right to dissolve the trade unions. Secondly, the constitution announced that the trade unions were free bodies beyond the control and independent of the cabinet. Lastly, the trade unions were called on to fulfill certain positive tasks.

The entire social system of Germany, from 1919-1932, was based on the idea of *parity*. There was to be a parity between employers and workmen, a parity between Catholicism and Protestantism, a parity between the different states of Germany. It was to be a system of equilibrium; the state was pictured as a neutral power, hovering above the several equal groups, and it was the



duty of the state to intervene only if and when these antagonistic forces could not settle their differences by their own devices.

If now we link this up with our discussion of the five points at which the might of property finds expression, we find that the Weimar republic endeavored to bring the trade unions' influence to bear on all those five points.

(1) To begin with, the worker was protected against abusive *exploitation of his labor power*. Innumerable laws for the protection of labor secured him from such exploitation. The control was vested in the factory inspectors. These inspectors were increasingly selected from the ranks of the trade unionists. The responsibility for the execution of the laws relating to the length of the working day lay mainly with the trade unions, which in these questions very often sought the assistance of the works councils. The Law of February 11, 1920, relating to works councils, restricted the employer's power of control and created certain rights of co-operation. If we draw a comparison between the *shop or factory* and the state we can say that the works-councils law introduced the fundamental basis of constitutional monarchy into the labor code. Just as the state has three powers, legislative, executive, and judicial, so also is the business and industrial undertaking equipped with these same powers. Prior to the introduction of this law, all three powers were vested exclusively in the employer. He was the sole legislator, for he issued the factory rules. The administration was centered in him, for he engaged and dismissed the workers. He was the sole judge, for he inflicted the punishments which were provided in the factory rules. The works council acts vested the legislative power jointly in the hands of the employer and the works council, which was elected independently of any influence or pressure on the part of either the state or the employer. If no agreement could be reached between them, the board of arbitration (later the labor court) issued the factory rules.

In administration also, the works council had a voice, even though only a limited one. When a worker was dismissed he could protest to the works council. If the council supported the protest and the employer still declined to employ the man further, the worker could sue for reinstatement or damages in the labor court. The councils further had the duty of supervising the maintenance of the collective agreements, the observance of the factory rules, and the protection of the workers.

The factory rules could be applied only with the concurrence of the two parties. If they could not agree, the decision rested with the labor court—the new judiciary. In everything the works councils were what the Germans called the “elongated arms” of the trade unions in the factory. Formally, indeed, they were independent of the trade unions, but they constantly had recourse to the trade union organizations for assistance in the fulfilment of their duties; the members of the council were trained and educated in the trade union schools

and supported by the trade unions in every conflict they had with the employers.

(2) The attempt to make the influence of the working-class movement prevail in *the sphere of the enterprise* did not succeed to any considerable extent, since very soon after the enactment of the works-council law, the reaction in Germany found its feet again. The works councils had the right to send two delegates to the directors' meetings of corporations which employed them, and to examine their balance sheets and profit-and-loss accounts. But it cannot be said that these provisions were of much importance.

(3) The influence of the trade unions *in the commodity market* was equally weak except in the coal and potash industries, in which special laws (erroneously called socialization acts) provided for semi-state-management. To these public boards of directors the coal and potash trade unions could delegate representatives; they were thus to a certain extent participants in the management of the coal and potash industries.

(4) Their decisive influence, however, found expression *in the labor market*. By a decree of December 23, 1918, issued by the Council of Peoples' Deputies, the *collective agreements* were legally recognized as the legal means for the control of wages and conditions of employment. When trade unions and employers' unions reached collective agreements regulating wages and other conditions of employment, the provisions of these agreements became a part of the employment contract between employer and workmen. The employer was not allowed to make special arrangements which would place the worker in a less favorable position. But only organized employers and workers were affected by the agreements, and there was danger that unorganized workers would displace the organized or that employers would take on only non-union men. Therefore the same law provided that, should it prove necessary, the minister of labor might by decree extend the agreement to the whole industry or trade. Of this power the minister of labor made constant use until 1931.

If no voluntary agreement as to wage rates, etc., could be arrived at, the state, which was looked on as neutral, intervened. By a decree of 1923, *arbitration boards* were created. The chairman of such an arbitration board was a state official and its membership consisted of an equal number of employers and trade union representatives. This arbitration board announced decisions which the two parties could then accept or reject. If they were rejected by one or both parties, an official of the Reich had the power to promulgate a binding award, which constituted an imposed wage-agreement between the employers' association and the trade union.

But a regulation of wage rates and conditions of employment can be effective only if it is accompanied by unemployment-insurance benefits high enough to prevent an undue fall in wages.



Apart from a few unimportant attempts, the *unemployment-insurance* system is entirely the work of the Weimar constitution and the trade unions. After numerous experiments, unemployment insurance was created and employment exchanges were regulated by a law of 1927. The whole system was put under the Reich Board for Employment Exchanges and Unemployment Insurance. It was organized into one central, thirteen regional, and 361 local boards. Each of these various boards consisted of an equal number of representatives of employers, workers and public bodies (states, municipalities, etc.) under the chairmanship of a neutral official. The whole system was under the supervision of the minister of labor of the Reich.

In this law we find a further expression of the collectivist democracy where the state called in autonomous private societies to help it execute its business efficiently.

Unemployment insurance covered 17-18 million people. The unemployed person received relief after a certain waiting period. The size of the benefit depended on the average wage he had been earning. After the depression had set in, emergency acts were imposed and unemployment relief ranged from RM 6.40 to RM 37.80 per week. (\$1 bought 4 Reichsmarks at the time.) The funds were raised by equal contributions from the workers and the employers and supplemented by loans from the Reich.

Committees were appointed for the settlement of disputes over the claim to and the extent of benefit, and these committees again were made up according to the parity principle.

Insurance and the finding of new employment were co-ordinated. The guiding aim of the establishment always had to be the return of the unemployed into the production process. To this end the state introduced and maintained educational centers—but not enough of them. There were also the *relief works*, which were embarked on mainly by public bodies. They were drainage schemes, road building, building of workers' houses, etc.

After many struggles and legal disputes the trade unions eventually succeeded in establishing the principle that relief workers should be paid the usual trade-union scale of wages, so that no downward pressure on the wages of the employed workers could take place.

This system was supplemented by an extensive system of further social insurance against accident, old age, illness, for manual and professional workers both.

(5) The fifth and last sphere in which the rule of property comes to the fore, the *state*, was likewise a wide field for trade-union activity. This activity, moreover, was carried on in all the three regions of the state's functions—legislative, administrative, and judicial.

The German constitution had introduced political democracy and the proposal to create a second chamber constituted on a professional and occupational basis had been rejected. The trade unions could not, therefore, participate directly in the *legislative* process.

But all the trade unions in Germany—the socialist (free) unions, as the strongest, the Christian, and the Democratic unions—had their political ties, that is to say, each of these organizations was attached to a political party. Thus the free trade unions were attached to the Social Democratic party. The Christian trade unions were attached to the Center party; their salaried or professional workers' organizations were, to a considerable extent, connected with the German Nationalist and subsequently with the National Socialist party. And the Democratic trade unions were linked to the Democratic party.

Thus, indirectly, political influence was extremely strong. The Social Democratic party was financially dependent mainly on the free trade unions, and the more frequently elections were held, the greater did this dependence become. The consequence was that a large number of trade union secretaries found their way into parliament. There—as was only natural—they stood for the trade unionist policy, namely a policy of social reform. This policy, however, often conflicted with the general policy of the government of the day. In 1930, for instance, the cabinet of the Reich, headed by the Social Democratic leader Hermann Mueller, was defeated by the trade unions because it (or rather the Liberal ministers in it) wanted to lower the scales of unemployment benefit. Earlier, in 1920, the trade unions had defeated Kapp, the reactionary leader of a counter-revolutionary revolt, by declaring a very effective general strike against his "Putsch."

No important political decision was taken without the trade unions. And it was very often they who turned the scale; their influence was invariably stronger than that of the Social Democratic party.

In the *judicial sphere* the trade unions played an active part in the administration of industrial justice. The act of 1927, relating to labor law courts, created special *Labor Courts* for the settlement of disputes between (1) employer and employee, (2) employer and works council, and (3) the parties to collective bargaining. These courts dispensed justice cheaply and expeditiously. Throughout this sphere, the influence of the trade unions was extraordinarily strong. The judges in all the three courts consisted, besides the state judge, of an equal number of representatives from the employers' associations and the trade unions. In the first court only trade union officials could represent the worker. In the second court the worker had the right to choose as his counsel either a trade-union official or a lawyer. In the third court only lawyers could plead.



Thus in this region also, the trade unions, as the recognized representatives of the workers, were called on to advise in state affairs. That the same applied to social-insurance administration, has already been shown.

True, this vast system of collectivist democracy was never carried through completely. That it should be was indeed promised in the constitution. But the continued growth of the political power of the reaction frustrated the realization of the promise. And therefore there existed as the foundations of a democratic industrial structure only the works council, the trade unions, and the Economic Council for the Reich. There was missing whole middle part of the structure, which was to have been built stepwise from the works councils up to the Economic Council for the Reich. Even the Economic Council, created May 30, 1920, remained only a provisional one. The last attempt to transform the provisional into a permanent Reich Economic Council (July, 1930) failed because nobody was very much enamored of the proposal.

The provisional Economic Council for the Reich had 326 members. It was divided into ten groups; in the majority of these groups the three trade union movements, according to their respective strength, were represented by delegates equal in number to those of the employers. The significance of the Economic Council was twofold: the cabinet could ask its advice on matters of social, economic and financial policy, and at the same time it served as an organ of investigation or inquiry. But even in the execution of these two functions the Council was obstructed from the very moment that the political crisis supervened in Germany, namely after 1930.

The *standard of life* of the workers rose as follows: in 1928 the wage increases amounted to 6.8%; in 1929 to 3.8%; in 1930, despite the crisis, wages and conditions of employment remained unchanged, thanks to the influence of the trade unions and the functioning of democracy.

In 1931 and 1932, however, when Parliament was put out of action, under the Bruening and von Papen governments, the standard of life was appreciably lowered.

The Weimar democracy, a democracy of the Social Democratic party and the free trade unions, had thus achieved two things: it had won for the working-man a comparatively speaking high cultural level, and it had begun to give the worker a new political and social status.

*Austria* showed a similar development. Already in 1900, one-fifth of all the Austrian workers were organized in the free trade unions. Later their membership figures for manual and professional workers together were:

1919. ....	295,000
1924 .....	828,000
1929 .....	737,000
1930 .....	655,000

As for the Catholic trade unions, it is astounding that, in a purely Catholic country, they could muster only 111,000 members in 1930. In the same year the membership of the racial (anti-semitic) trade unions was only 45,000.

The trend of the relation between state and trade union in Austria was similar to that in Germany. The Works Councils Act of 1919 decreed the legal recognition of the trade-union representatives in the factories. The duties of these works councils were similar to those of the German councils, namely, inspection and thus supervision of the execution of the collective-bargaining agreements, and conclusion of supplementary agreements with the employer. In this way the works councils were embraced by the trade unions.

In the *labor market*, also, the trade union's right to take part was, as in Germany, assured. The law of 1919 recognized the collective bargaining agreement as the method of regulating wages and conditions of employment, and stipulated that this was to apply to all members of a factory or other industrial undertaking. The *anti-terror law* of April 5, 1930, was the first, and unsuccessful, attempt to deal a blow to the collective bargaining agreement and the trade unions.

The method by which Austria gave the workers' movement official representation differed from that adopted in Germany. A law of 1920 created *public chambers* in which the workers and the salaried or professional employees were jointly represented. These chambers ranked beside the Chambers of Industry and Commerce, the representative organizations of industry and commerce respectively, and their members were elected by the workers and professional employees. 78.8% of the electors voted for the nominees of the socialist trade unions, 10.4% for those of the Christian, 7.86% for those of the racial and 2.79% for those of the communist trade unions. These Chambers have to take a stand on all questions of commerce, trade, and industry which either indirectly or directly affect the workers or professional employees.

In other respects (arbitration but not compulsory labor courts, unemployment relief, etc.), Austrian legislation was very largely the same as that of Germany.

In the *French* trade unions, two different movements intersected one another, viz: the occupational movement which aims at the creation of national unions on a professional and occupational basis; and the non-occupational, *local* combination into "trade councils" (*bourse de travail*).

Only when after 1892 the local trade councils had combined into a national union, was it possible for the movements to reach agreement at the Congress of 1902 and for the "Confederation Generale du Travail" to be formed. This union is politically neutral; it believes in direct action. But "direct action," says Jouhaux, "does not mean rebellion, barricades, disorder and plunder, as our opponents would have you believe." It means that "the workers are determined



to settle their own affairs by their own strength and their own resources." The C.G.T. recognizes the class struggle in its economic form and refuses to acknowledge the state's role as mediator in industrial disputes. It sees the weapon of the workers in the *economic general strike*. But the War reduced this syndicalist theory to absurdity. The French trade unionists have in practice trodden the same path as their European comrades, namely the path of social reform, with state intervention in all spheres of life.

By a law of March 12, 1920 the trade unions were legally recognized and declared to be the representatives of the working class. A works-council law, such as that of Germany or Austria, does not exist in France. On the other hand, a law of March 25, 1919, vested in the trade union the right to participate in the regulation and supervision of the labor market. The trade union concludes the collective wage-agreement and it is entitled to sue in its own name for the fulfilment of the contract.

By a decree of January 17, 1925, a National Economic Council was created. It is under the control of the prime minister and includes representatives of the employers, workers, consumers, and the liberal professions. The Council also has the function of preparing social and economic legislation.

Numerous other laws make the trade unions an organ in the enforcement of legislation.†

Of the position in England, the country with the unwritten constitution, it is extremely difficult to give a systematic account. Legal pronouncements, on works councils and collective bargaining agreements for instance, do not exist. But in England, also, the tendency to assign marketing and political functions to the trade unions has gone very far. "The trade union officials are to a large extent entrusted with quasi judicial and administrative functions."\* Mention may be made of the National Wages Board for Railways; the Railway Rates Tribunal; the Central Electricity Board Company; the British Broadcasting Company; the Economic Advisory Council created by the prime minister; the courts of referees and the courts of appeal in disputed cases of unemployment benefits; the 48 trade boards which fix minimum wages; the Imperial Economic Conference at Ottawa in 1932; the World Monetary and Economic Conference in 1933; the Consultative Commission of the Ministries of Education and Health. In general, trade unions are consulted on all national industrial questions.

---

†After the elections of the Spring of 1936, while Blum, the socialist leader, was premier-designate, there was a wave of strikes, some of which were settled by collective agreement, others however, by Blum's promise to introduce laws for better wages and hours and the right of collective bargaining.—*Ed.*

\*Milne-Bailey, *Trade Unions and the State*, p. 141.

#### THE BREAKDOWN OF TRADE UNIONISM AND THE SUPREMACY OF THE STATE

Two phenomena characterize the period of trade union recognition: (1) in the economic sphere, the transformation of the capitalist competitive economy into a *monopolistic economy*; (2) in the political sphere, the transformation of the liberal state into a *mass-democracy*. Both tendencies change the whole structure of society and the state.

Concentration of capital assumes different forms. Taking Germany as an example, we see that property creates for itself different organizational forms, depending on the point at which it is exercising its authority and privilege. For the control of the *commodity* market, capital organizes a trade association, gentlemen's agreement, holding company, etc.

For the control of the *labor* market, capital organizes the employers' association, and, in order to bring pressure to bear on the *state*, German capital is organized principally in the "Reichsverband der Deutschen Industrie" (Reich Union of German Industry).

No country in the world, with the possible exception of the United States of America, has experienced the tendency towards the concentration of capital to such an extent as Germany. In 1930 about 50 per cent of German industry was organized in cartels. This tendency is very largely explained by a series of historical circumstances, which are admirably set out in Thorstein Veblen's book "Imperial Germany and the Industrial Revolution." Two important influences were the fact that Germany entered the world market very late, and the fact of the inflation, which brought about a tremendous concentration of capital. This mammoth system, which cannot be described here, lived mainly from its monopoly revenue, that is to say, from the utilization of its powerful economic position. When, in the economic crisis, the cartel system threatened to collapse, it called the state to its assistance. The state helped it by subsidies on a grandiose scale, by buying from the cartels, by raising tariffs, and by other means.

In general, it is to be noticed that the influence of the state grows uninterruptedly. The state itself assumes extensive economic activities. It acquires an interest in a large number of banks; it works mines; it manages railways; it owns and controls the postal services; it takes up shares in many industrial undertakings, not infrequently paying very high prices for them in order to save big capitalists from bankruptcy.

In the sphere of social policy, the state—whose direct representatives preside in all the "parity" organizations—acquires a more and more decisive influence, since increasingly it comes to be the case that the two antagonistic sides of the "parity" arrangement cannot reach agreement.

Mass-democracy has strengthened the political consciousness of the working-class. The experience of the War has made the working class throughout the



world conscious of itself, and has finally detached the working class-movement from the tail end of the bourgeois political parties. These two facts, the appearance of a self-conscious working-class-movement in the political field, and the transformation of the competitive into the monopolistic economy, have changed the entire picture of the state, of society and of the economy and have to a far-reaching extent brought society under the management of the state.

What effect has this development had on the functions of the trade unions?

Increased productivity occasioned by the introduction of scientific methods of production leads to a diminution in the numbers of workers employed, thus unquestionably creating technological unemployment\* †

A further consequence of rationalization and standardization is that the *composition of the working force changes*. The growing tendency for the economic system to be organized in cartels, giant concerns, and trusts creates a new bureaucracy. The number of office workers, clerks and officials increases. The introduction of scientific methods and standardization reduces the number of skilled workers, while at the same time it increases the number of technical superintendents and unskilled and semi-skilled workers, especially also the number of women.§

As markets contract and competition intensifies, the distributive apparatus grows. This increases the number of those engaged in the distributive process, namely clerks and white-collar workers, and women.

There can be no doubt that social legislation and the policy pursued by the trade unions have facilitated and even consciously promoted this tendency towards the concentration of capital, rationalization and standardization. High wages, better hours and employment conditions, a highly developed and widely applied system of labor protection, etc., constitute a heavier financial burden on medium and small-sized undertakings than on large-scale ones in which the ratio of fixed to circulating capital is high, i.e., undertakings which employ relatively little labor and much machinery.

---

\*Two examples from the German coal industry are instructive in this context: In 1925, 343 pits employed 575,000 workers with an output of 238 tons per worker per year. In 1929, 266 pits employed only 517,000 workers, and the output was 315 tons. The Ilse mine (lignite) in 1925 had an output of 8,600,000 tons and employed 6,942 workers. In 1929, with an output of 12,280,000 tons it employed only 5,694 workmen.

†I do not discuss the merits of any particular theory such as whether the unemployment is necessarily permanent or whether it is merely temporary. The fact remains that technological unemployment and the depression came together. (Prof. Paul H. Douglas has argued that technological unemployment is negligible. See especially "The Problem of Unemployment," by Douglas and Director.—*Ed.*)

§In the United Steel Works the number of manual workers was reduced between 1919-29 from 183,000 to 134,700, and the number of salaried employees rose during the same time from 15,700 to 16,400. Between 1907 and 1925 the number of salaried workers rose 67 percent whereas the number of manual workers increased only 27 percent; the number of women employed rose 34 per cent and the number of all wage earners (salaried and manual workers) increased by only 24 percent.

It is undeniable that the enterprise must endeavor to escape every enforced rise in wages and every increased expenditure imposed on it by the demands of social legislation. This "saving" usually takes the form of introducing labor-saving machinery, which displaces workmen.

Moreover, the German trade unions deliberately furthered this rationalization process. They did so because of their optimistic belief that the displacement of workers in these undertakings would lead to increased employment in those branches of industry which produced the machines and that the rise in purchasing power would increase production to such an extent that the industries producing mass-products would eventually reabsorb the unemployed.

But the consequences of monopolistic organizations, affecting both employers and employed, must not be overlooked. Trade unions give rise to employers' associations. These invariably arise only as opponents to the trade unions. While hitherto the trade union has been faced with one individual employer, it is now confronted with an organization of employers. On the other hand, the combination of employers into associations gives rise, in its turn, to centralization within the trade unions. Yet employers' association do not in themselves constitute a menace to the trade unions. They begin to become dangerous only when the trade unions are confronted with monopolies. In this case the strength of the trade unions is often inadequate to deal with powerful monopolies. The trade unions then require the help of the state.\*

But the growth in the economic activity of the state also brings the trade unions into direct conflicts with the state. The more the state arrogates economic activities to itself, the more frequently will the state itself, in fixing wages and conditions of employment, become the antagonist of the trade unions. What are the consequences of this development for the trade unions? There can be no doubt that it weakens the appeal of the trade union to the interests of the worker in the condition of his job. Furthermore unemployment, especially chronic unemployment estranges the unemployed workman from his union.

Chronic unemployment and the altered composition of the workers' movement are two vital causes of the weakening of the trade unions.

(a) That this is true of chronic unemployment cannot be disputed. Those out of work among the total membership of the free trade unions were:

in 1929 .....	13 per cent
in 1931 .....	35 per cent
in 1932 (February and March) ...	45 per cent

At the end of 1932, for instance, about 90 per cent of all the members of the builders' and the carpenters' unions were unemployed.

---

\*The lock-out of the metal-workers in the Rhineland and Westphalia, in 1928, was partly won by the unions, but only because the Prussian state paid poor-relief.



The unemployment statistics for the entire German working-class tell an impressive story. In January, 1929, there were 2,850,000 out of work; by December, 1932, the figure had mounted to 5,921,000. And to these figures must be added the "invisible" unemployment, which totalled about 2,000,000.

With this situation, unemployment insurance could not possibly cope. When the unemployment insurance act was promulgated, one had reckoned that the maximum number of people for whom provision would have to be made at any one moment would not exceed 800,000. In the end, seven or eight times that number had somehow or other to be provided for. Of these only 638,000 unemployed received benefits from the unemployment insurance fund in October 1932. Only 1,130,000 people were given "crisis pay." The remainder were thrown back upon the charity of the municipalities, which themselves were on the verge of bankruptcy.

The trade unions, for their part, had continuously to reduce their own scales of benefit. The falling off in membership and the unemployment of their members had drained their treasuries.

(b) The changed *composition* of the working force likewise contributed to the weakening of the trade unions. Unskilled workers, inspectors, administrative officials, shop assistants and women are extremely difficult to organize. The growing significance of the professions and salaried positions heightened the significance of their trade unions. But the majority of these were bourgeois; for the salaried or professional employee did not want to become a proletarian. He did not want to be "reduced to the level of the masses"; he wanted to retain his middle-class status and he strove not only to preserve, but to extend, his privileges. And in this he succeeded. In social insurance and social legislation, salaried employee and manual worker were treated differently. The insurance benefits of the salaried employees were higher than those of the manual workers. The period of notice to which a salaried employee was entitled before being discharged was longer than that of the manual worker. Indeed, in 1927, a law was passed almost unanimously by the Reichstag, giving older professional employees the right to an exceptionally long period of notice. No party dared to oppose the demands of these employees, nor those of the minor officials. They had their henchmen in every political faction. But capital said to itself: Divide the rule; grant privileges to a small group at the expense of a large one, and you win their support.

This is what happened. This "new middle-class" became the strong-hold of the National Socialists.

(c) But the trade unions' appeal to the workers' vocational interests is unquestionably weakened also by the increased activity of the state in the regulation of wages and conditions of employment.

The arbitration system, the legal extension of the collective wage agreements to unorganized workers, unemployment insurance and the whole system of social insurance—these made it appear to the worker that he no longer had any need for the trade unions. "If the state takes charge of all these things, what use are trade unions?" This was the stock question in Germany.

Owing to the constantly increasing state control of social life and the appearance of the state as an economic opponent, the number of strikes diminished. Similarly, in the economic crisis, unions found it more and more difficult to reach voluntary agreements with the employers. The number of forced interventions by the state in the industrial relations between employers and workers grew. For in a monopolistic economy every strike affects more or less the entire economic system and thereby also the state. The risk involved in a workers' struggle became greater; the success less certain. Only big strikes, sympathetic strikes, now hold out to the unions any prospects of success. In the case of Germany, moreover, one must not forget that during the crisis very big strikes could easily lead to civil war. Thus the outlay incurred by the German trade unions for strike purposes fell continuously, and Austria had the same experience, as the adjacent table shows. In fact, throughout 1931 the German trade unions did not declare a single offensive strike.

A further important reason for this lies in the fact that the collectivist democracy binds the trade unions and the state closer together. True, the trade unions are independent and free; but this close contact leads the trade unions to develop a psychological attitude of dependence on the state.

#### DECLINE OF THE STRIKE IN GERMANY AND AUSTRIA

Year	Percent of German union's expenditure paid for strikes	AUSTRIA	
		Strikes	Workers Involved
1904-13, yearly average	—	713	98,000
1906	36.2	—	—
1910	32.9	—	—
1920	—	329	179,000
1921	26.3	—	—
1924	21.3	401	268,000
1925, after German inflation	20.6	287	46,000
1926	2.6	186	18,000
1927	6.9	195	28,000
1928 (a)	15.3 (a)	272	32,000
1929	4.9	202	23,000
1930	3.0	80	5,000
1931	4.9	—	—

(a) In 1928 there was a lock-out of the metal workers in the Rhineland and Westphalia. cf. the last footnote, above.



We can summarize the process of transformation referred to in this chapter as follows:

1. The existence of trade unions gives rise to employers' associations.
2. The trade unions' policy aiming at the improvement of the standard and conditions of life of the working class facilitates the process of rationalization and also the concentration of capital.
3. Rationalization and monopolization create technological unemployment and change the composition of the working force.
4. The state tends increasingly to assume the role and functions of employer of labor.
5. The purely economic power of the trade unions consequently wanes.\*
6. The significance of the free collective bargaining agreement and of the economic strike diminishes.
7. The power of the state grows uninterruptedly.

These developments are tolerable from the trade unions' point of view if and so long as political democracy functions; if and so long as the working-class movement is able politically, in parliament through a parliamentary majority, or at least through parliamentary opposition, to influence and bring pressure to bear on the state. "Parity" and "neutrality" are fictions. The state must and does take a definite stand. It must and does make up its mind. It will effect a compromise between the interests of employer and worker only if it is forced to do so by political pressure, that is, if it is prevented by public opinion and parliamentary criticism from supporting the interests of employers in a partisan manner. But the moment that the rights of political freedom are trampled on and destroyed, the moment that democracy is undermined, and the state becomes a naked class dictatorship, then the working class movement is completely subjugated to that dictatorship.

This pluralistic system, in which interest-groups pull and haul the state away from each other, cannot possibly be permanent. For it is essentially static in character, whereas society, economic conditions, and politics are in a state of constant change, are, that is to say, dynamic in nature, and therefore threaten to overthrow this artificially balanced system. In a depression or economic crisis such a system must necessarily collapse. For in the crisis the trade unions are an obstacle to the fall in the standard of life of the workers, especially of the *rates of wages*. The rigidity of the trade union system proves to be a handicap to the necessities of capitalism. Property therefore uses its power in the state to maintain its supremacy through state intervention. The Bruening and Von Papen cabinets, which preceded the Hitler dictatorship, effected,

---

\*Strikes tend to be or become political strikes.—Ed.

through no less than five emergency decrees of the president of the Reich, an appreciable lowering of the standard of life, not only in wages but in the consequent embitterment and destruction of political amenities.

But while the rights of political liberty still exist, so long as there is a free press, so long as freedom of meeting and assembly is preserved, so long as democracy is articulate—the state must recognize mass-democracy and cannot venture to defend the interests of property exclusively against the interests of labor. It must make certain concessions to labor. It cannot utterly shatter the constitutional position of the workers. It follows therefore that, when driven to extremes by economic exigencies, monopoly capital must destroy democracy and the last vestiges of political liberty by using the entire forces of the state. This, in fact, is the history of the German democracy.

After 1930, the German democracy was undermined, the sovereignty of Parliament systematically destroyed, and the rights of political and social liberty withdrawn. The democratic state was systematically confronted with an anti-democratic state.

For the trade unions, there was, after 1930, only one possibility, only one road to salvation: to become one hundred per cent political unions and concentrate their entire energy on fighting for the preservation of democracy and the rights of political liberty. Only through the capture of the state machine was there any hope of preserving their independence as well as of guaranteeing the security of the rights of the workers. This, to be sure, would have meant a general strike, followed by civil war, the issue of which was uncertain.

But so far from treading this path, the German trade unions after 1932, took the very opposite direction. They endeavored to hammer out a new ideology for themselves, a pure trade unionist ideology. They even went so far as to represent the Hitler government's declaration that the First of May was to be a national holiday, as a victory for the trade union idea. They severed their connection with the Social Democratic party in the hope of saving their organization.

Though they—more even than the Social Democratic party—bore political responsibility, they tried hard to become "unpolitical" when they realized that, for those who fought for freedom and democracy, politics entailed the risk of destruction. They did not assume this risk; but they were destroyed nevertheless. The same development took place in Italy. The Italian trade union leaders, d'Aragona, Rigola, and the rest, accepted the Treaty of Palazzo Vidoni (Oct. 22, 1925); they renounced their right to strike and begged only to be allowed to continue their activities in research and industrial assistance work. But this withdrawal, this attempt to become "unpolitical" in order to save the life of their organization, did not help them in the least. They too, suffered the fate which every totalitarian state decrees.



## CHAPTER IV

### THE TOTALITARIAN STATE AND THE DESTRUCTION OF THE TRADE UNIONS

#### FASCISM

FASCISM and national socialism are both based on the idea of the totalitarian state—although German National-Socialist ideology repudiates the supremacy of the state and stresses instead the supremacy of the party, which the state is asserted to serve. Both systems, in spite of their ideological differences, refuse to recognize groups with an independent existence of their own, groups which come between the state and the individual. Both fascism and national socialism would subscribe to LeChapelier's declaration when, on June 14, 1791, he confirmed the French law prohibiting trade unions. "The individual," he said on that occasion, "owes allegiance solely and exclusively to the State and to no one else." Independent trade unions, that is unions free from state control, fascism cannot allow. It cannot concede that combinations of workmen should freely and independently elect their leaders. It cannot tolerate that trade unions should, through their collective strength try to regulate wages and conditions of employment. It cannot allow any kind of independent social or political influence to emanate from trade unions.

That a dictatorship which tolerates trade unions is committing suicide is shown by Spain's example. The dictatorship of Primo de Rivera tolerated the trade unions organized in the "Union General de Trabajadores" and led by F. Largo Caballero. This body was one of the organizations which brought about the downfall of the dictatorship and finally of the monarchy.

This central idea of fascism explains the process which National-Socialist Germany calls "Gleichschaltung" (assimilation). Sports club and glee club, trade union and employers' association, chess club and theatre, bee-keepers' union and church—one and all have suffered or will suffer the same fate—as for instance the German evangelical churches have.

So far as the fascist state tolerates trade unions at all, they are organizations which bear no resemblance in character to trade unions but are either legally or *de facto* organs of the state, whose policy is not autonomous, that is to say, it is determined not from within but from outside, either by the state or the fascist party which dominates the state, with leaders not elected from the ranks of the trade union members but either nominated by officials or appointed by the all-powerful Fascist party.

*Fascism is the dictatorship of the Fascist (National Socialist) party, the bureaucracy, the army and big business—dictatorship over the whole of the people, for the complete organization of the nation for imperialist war.*

As has already been shown, in the fascist theory of the state, the state is everything, the individual nothing. The individual has no natural rights. All rights are derived from the state. This is brought out most clearly in Mussolini's formula: "Fascism conceives of the state as absolute, in comparison with which all individuals or groups are relative, only to be conceived of in their relation to the state."

The history of the pre-war Italian trade unions is in many respects similar to that of the French. The Italian unions, too, had their origin in the "works chambers," local unions of different categories of workers, and the national vocational associations. In 1906, after a bitter quarrel with the anarcho-syndicalists, there was founded the central organization, the "Confederazione Generale del Lavoro." Before the War the membership of the Confederazione was:

In 1907 .....	190,000 members
In 1910 .....	302,000 members
In 1914 .....	321,000 members

Apart from this organization, which can be called socialist, there were the Catholic trade unions, organized in the "Confederazione Italiana dei Lavoratori." After the war these two Italian trade union federations grew by leaps and bounds. The socialist unions had:

In 1919 .....	1,159,000 members
In 1920 .....	2,150,000 members
In 1921 .....	1,128,915 members

The Catholic unions associated with the Catholic People's party (partito Popolare) had 1,800,000 members in 1920.

The strength of the workers, however, lay not only, perhaps not even mainly, in the trade unions but primarily in the co-operative movement. The number of co-operative societies was given as 19,377.

It was precisely this extraordinary trade union and co-operative progress which induced landed property and capital to finance and support Mussolini's "Fascio di Combattimento," which, tolerated by the state, methodically harried the trade unions by burning their headquarters, destroying their property, beating up and killing their leaders.\* On January 24, 1922, the Fascist party created its own trade union organization, the "Confederazione Nazionale della Corporazioni Sindicali," under the leadership of Edmondo Rossoni. But even after the March on Rome (April, 1922) and the seizure of power by the fascists, the socialist unions and also the Catholic unions remained, despite

---

\*I should like to refer, for a presentation of the Fascist terror, to Professor G. Salvemini's book, *The Fascist Dictatorship in Italy*.

Cf. His recent *Under the Axe of Fascism*.



the terror and the ruthlessness of the state, an important factor; they retained the confidence of the mass of the workers, and the fascist unions mustered in June 1922, only 460,000 and in August 1922, only 800,000 members. Even after the March on Rome, the followers of the Socialist Confederazione triumphed in all the elections to factory committees. So powerful was the influence of the socialist trade unions that the fascist trade unions, despite the fact that they rejected the strike weapon, were forced to fall into line with a workers' struggle which was waged in the metal industry in Lombardy in March, 1925, after the Fascists seized power.

In November, 1924 the fascist trade unions themselves declared their membership figures to be 1,766,023. Eventually, however, the efforts to destroy the power of the Social Democratic, Catholic and communist trade unions proved successful. By a decree signed January 24, 1924, the King placed all "associations of whatever nature, maintained by the contributions of workers" under the control of the prefect, who, in turn, could delegate his power to a state commissioner with authority to liquidate, at his discretion, the property of the association, which, in fact, meant that it was being handed over to the fascist unions. Other decrees still further enlarged the power of the state. Thus the non-fascist unions disappeared. On October 12, 1925, the Confederation of Industrial Employees concluded with Rossoni, as the leader of the fascist unions, an agreement in the Palazzo Vidoni, by which the power of concluding agreements as to wages, conditions of employment, etc., was accorded to the fascist unions alone. Since all other organizations were denied this right, they were automatically reduced to impotence. From this time onwards the monopolistic position of the fascist trade unions, which were under the direct control of the Fascist party, was maintained and strengthened. Finally, we come to the Trade Union Law of April 3, 1926. In this law one uniform syndicate for every district and every branch of industry or trade was legally recognized. These "uniform" syndicates represent each of the several occupations and professions, by virtue of the aforementioned decree. Other associations and unions may, it is true, exist, but only in theory. Having no legal status, they actually do not exist. They are not tolerated. Thus the journal of the fascist syndicates, "Il Lavoro Fascista," of July 1, 1930, writes: "The formation of such unions would interrupt the rhythm of social construction. Such trade-unionist bodies, be their complexion Catholic or social, would, in the last analysis, simply attack the fascist trade unions. It would be a form of suicide to further their formation.

The agreements on wages and conditions of employment, which the trade unions recognized by the law of 1926 may conclude, apply equally to all the workers in a particular industry, trade or profession whether they are members of the fascist trade union or not. It follows that the fascist trade union is

entitled to raise contributions towards the covering of its expenses from un-organized workers also.

The officials of the fascist trade unions must be morally, politically and nationally reliable. The trade unions are under the control of the state, which can remove the officials and delegate the leadership of the trade unions to state commissioners. The assertion that about 50 per cent of all the secretaries of the fascist trade unions are lawyers, who have been entrusted with the management of the affairs of the trade unions by the Ministry of Corporations, has so far never been disputed. As late as September 26, 1931, the fascist state did not deem the Italian worker morally and nationally reliable enough to be appointed a trade union official. For on that day the Fascist journal "Il Lavoro Fascista" wrote as follows:

The nation must at last clearly understand how we select the trade union leaders; it must realize that their selection does not depend on the fitful and subjective estimation of the Confederazione, but is considered in the first instance by the Minister of the Interior, the prefect, the secretary of the Fascist Party and the provincial leaders, so that prior to the official approbation we are already put in possession of all the necessary political guarantees about them by the Minister of Corporations.

This clearly indicates the attitude of the fascist state towards the trade unions. Only after a thorough examination by the party and the local state organs does the Minister of Corporations appoint the trade-union secretaries. From this it is self-evident that the syndicates are real state organs and that there can be no question even of a minimum of autonomy.

But not all the workers have the right to organize. The same law forbids state employees, municipal employees, railwaymen, postal workers, workers in state-controlled concerns, officials, and teachers to organize. As regards these categories of workers, the fascist state fears that in these occupations it would be dangerous to apply even its own modest theories of self-government.

The court of labor (*magistrato del lavoro*) has a double function. First they lay down the conditions of employment and the wage "agreements," and second they are called on to settle disputes arising from these wage agreements. There cannot be the faintest suggestion that the conditions of employment fixed take into consideration the needs of the workers, for the three judges who constitute the labor court are dependent state officials, who may be removed if "they set themselves in opposition to the general trend of policies of the government" (law of December 24, 1925) and the two experts in production and labor problems must, according to article 54 of the regulations of July 1, 1926, have a university degree or its equivalent.

In spite of this thoroughly safeguarded and all-pervading influence of the state, the government deemed it necessary to reserve for itself rights of inter-



vention in the fixation of wages. According to the decree of July 1, 1926, every collective wage agreement contains the so-called "clausula rebus sic stantibus," which plays such a baneful role in international law. It gives each party to the agreement the right, if circumstances make it important, to terminate the wage agreement. The employer is thus enabled to demand alterations in the existing agreements on wages and conditions of employment; and of this power the employers make frequent and far-reaching use.

In all other respects the fascist state has, during the last few years, i.e., since the beginning of the world economic crisis, acted in the same way as all the purely capitalist states. By legal decrees, irrespective either of the labor courts or existing wage agreements, it has reduced all the wage rates stipulated in those agreements.

The fascist idea of a "corporative" structure—made up of fascist "corporations"—is said to be embodied in the Carta de Lavoro (April 21, 1927) and in the Corporation Law of February 5, 1934. In Italy in countless propaganda pamphlets, the Carta del Lavoro is held up to the world as the outstanding example of the embodiment of a new idea of the state, namely of the corporative state in which class-antagonisms are abolished and employers and workers work together in perfect harmony.

The first part contains the principles of the fascist doctrine: The Italian nation is a moral unit, an organism, which finds its realization in the state, and which is set above individuals and groups. The Carta acknowledges private initiative in industry and commerce and considers state intervention in the economy to be permissible only in exceptional cases. The rest of the first part merely repeats the main clauses of the trade union law of April 4, 1926 and by-law of July 1, 1926. The collective agreement as to wages and conditions of employment is characterized as the realization of solidarity among the various factors of production.

In the second part border-line regulations of a general kind are set up. Strikes and lockouts are prohibited and punishable. There are certain regulations of work, night work, and Sunday rest. The third part is concerned with employment exchanges. Notice of vacancies may only be supplied through the recognized exchanges, so that non-Fascists are exposed to starvation. The fourth part contains general regulations on social welfare, assistance, and training.

The transformation of the trade unions into state organs, entailed, of course, changes in their structure. The National Confederation of Fascist Labor Syndicate (*Confederazione nazionale dei sindacati fascisti dei lavoratori*) as it now calls itself, with the old syndicalist Rossoni as its president, was the central and coordinating confederation of the fascist trade unions. This confederation, however, soon began to develop a life of its own.

The leader, Rossoni,\* expressed the belief that the fascist state could concede a degree of liberty. Discussing the position of the Fascist trade unions, at the Congress held in May, 1928, he said:

The corporation has now become an organ of the state. This does not imply that the syndicates' liberty of action must be curtailed. For just as the law leaves the development of the individual personality untouched, so also it can allow the personality of the syndicate to develop.

In both assertions Rossoni was mistaken: Fascism has muzzled the individual, and to the trade union especially it has not allowed any kind of freedom whatsoever.

Thus "La Confederazione Nazionale" soon came into conflicts with the state. One conflict arose out of the trade unions' demand that factory representation should be instituted within the factories. On a subsequent occasion the opposition of the trade unions to the corporation system, that is, to a permanent collaboration with the corresponding employers' associations in state organs, was the cause of their conflict with the state.

And so, at the end of 1928, this National Confederation of Fascist Labor Syndicates was dissolved. Rossoni was removed and a purge (sbloccamento) of the trade unions was made, a kind of cleansing operation.

Since the functions of the fascist trade unions in the matter of regulating wages and conditions of employment are fast disappearing, the state attaches more importance to winning the worker in his spare time, and it has therefore created a leisure-time organization, the Dopolavoro.

The sham influence of the trade unions found expression, for instance, also in the electoral franchise. According to a law promulgated on May 17, 1928, the National Fascist Syndicates (workers' and employers') were entitled to nominate four-fifths of the parliamentary candidates. The Fascist Grand Council had the right to select the parliamentary candidates from the lists of suggested candidates handed in by the employers' and workers' syndicates. The names of the selected parliamentary candidates were then put on one list, which applied to the whole of Italy, and to this list the Italian citizen could say only "yes" or "no." Investigations have shown that the Fascist Grand Council systematically gave preference to representatives of the liberal professions, high officials, and members of patriotic associations over the members of the syndicates. Despite this influence of the devoted loyal functionaries of the fascist state in the "election" of Parliament, the abolition of this sham parliament and the substitution of a corporative council have been announced.

The Corporative State was promised by the trade union law of 1926, by the Carta, and by the law of March 20, 1930, by which the National Council of

---

\*The following statements differ somewhat from the account in Salvemini's *Under the Axe of Fascism* (1936).—Ed.



Corporations (consiglio nazionale delle corporazioni) was created. It is a central state organ with an allegedly equal representation of workers and employers. In reality, the representatives of the liberal professions, of the fine arts, and the employers have an overwhelming majority over the workers' delegates. All the members of the National Council of Corporations are appointed by the king on advice of Mussolini. The functions of this Council of Corporations lie in the field of social and economic policy and are of no great importance. It has advisory functions. It can also empower the syndicates to conclude collective wage agreements. So far, however, not one piece of original work has emanated from this Council, nor, in particular, have any steps been taken in Italy to start a planned economy.

The law of February 5, 1934, is praised in Italy and by political charlatans as the beginning of a new epoch in industrial and constitutional law, but it reveals most clearly the fallacy of the corporate state. Fascist ideology asserts that the Italian state is based on the corporations, the links between employers' and workers' syndicates. It is insisted that the corporations do not touch the "autonomous" life of the syndicates and that it is untrue to say that they have swallowed up the syndicates, as even Rossoni once believed. But they themselves clearly say so.

Article 1 of the Law begins by stating that the "corporations . . . are created by decree of the head of the government" (Mussolini) . . .

Article 2. "The corporations are presided over by a Minister, an Under-Secretary of State or the Secretary of the National Fascist party appointed by decree of the head of the government."

The head of the government can do anything; he can order a joint session of two or more corporations and he can create Corporate Committees "to regulate the economic activity in regard to stated products . . ." The exercise of "collective regulation of economic relations to secure unitary discipline in production" is dependent upon the consent of the head of the government (Article 7).

It is the state that creates, leads, and uses the 22 corporations, which are divided into three groups. The Italian state is not built upon corporations, but the corporations are based on the state. They are ordinary state organs, as expressed in section 43 of the by-laws: "The corporation is no legal entity but an organ of the state. The law, which is necessary for the creation of the corporations, determines their competence and rights."

These organs of the personal dictatorship have destroyed the last rights of the syndicates. The corporation has to fix rates for labor and economic services (Article 10) and to settle labor disputes (Article 13). Thus the syndicates are stripped of all their functions even though they are themselves dependent on the state.

So greatly therefore does the fascist dictatorship fear opposition that even unions dependent on the state are deprived of their remaining functions.

The whole system turns on the veiled dictatorship of the fascist party, that is of Mussolini, who dominates the party, of the army, of the state bureaucracy and of big business. This grandiose architectonic structure of corporations has no real functions to fulfill. All the social institutions,—syndicates, collective agreements on wages and conditions of employment, corporations, etc.—are in the service and under the control of the State.

And to what end does the state use these wonderful organizations?

Two declarations of Mussolini reveal the political and social idea underlying the whole system. On March 23, 1921, Mussolini published in his paper, "Il Popolo d'Italia," an article, from which we cull the following sentence:

"We can afford the luxury to be aristocrats and democrats, reactionaries and revolutionaries, to obey laws and to disobey them, according to the conditions of time, space, and environment, in a word according to the history in which to live we are compelled."

This means simply that the political aim of fascism is solely at the preservation, under all circumstances, of the power it has seized, and to compromise with all institutions, all parties, and all objectives, if such compromise can in any way help to keep fascism in power.

And the social idea of fascism found expression in his famous speech in the Chamber at the beginning of May, 1934, when he said:

"We are approaching a period in which mankind will find its equilibrium on a lower standard of life. But this need give no cause for anxiety. That mankind can be a strong mankind, capable alike of enthusiasm and heroism."

The social system is thus seen to be that of naked and unashamed capitalist exploitation. In this system all the needs and requirements of the workers and the middle class are made subservient to the needs of capital. Fascism, while formally conceding rights to the workers, really robs them of their rights, since under fascism the worker has no right to self-determination. The creation, leadership, and activity of his organizations are functions of the State and are not in any sense autonomous.

We may sum up with a quotation from the most important analysis of fascism yet undertaken:

The dictatorships of former times, of which the Napoleonic regime is a typical example, had only to struggle against liberty in all its forms: liberty of the press, liberty of association, liberty of assembly. The authorities knew precisely where to apply police surveillance: at the office of such and such newspaper, in the environs of such and such a music hall transformed into a club, in the neighborhood of the home of such and such a citizen who was suspected



and watched. Economic development had not yet given rise to the temporary assembly of those enormous groups of human beings who are massed together in the most important factories. The social consequences of industrial progress imposed new necessities and new tactics upon dictatorships. What good does it do to struggle against the right of assembly . . . if one tolerates the development of revolutionary centers within the factories? What good does it do to prevent the workmen from engaging in any kind of political activity outside of the plant, if one must resign oneself to the recrudescence of this activity within the plant itself, on the numerous occasions when the workmen came together as they go in and out of the shop? There was every necessity that the new government should adopt an attitude of strict surveillance towards the groups of workmen.\*

Fascism is, in short, the response of monopoly capitalism to the challenge of mass democracy.

About the position of the worker we summarize:

*In the factory* he has no influence whatsoever. Works councils do not even exist, though they fit in more with the syndicalist ideas than with those of German and English trade union theory.

*In the undertaking* neither the worker nor the state has any influence. The state prohibits the founding of new undertakings if they are likely to damage existing concerns. The state subsidizes businesses to a tremendous extent.

*In the state* the worker is under the absolute dictatorship of one man and his organs of the state and the representatives of the employers.

*In the state* the worker is under absolute dictatorship of one man and his party.

#### NATIONAL SOCIALISM

The development in Germany shows clearly the fascist tendency not to tolerate any autonomous or semi-autonomous organs between the individual and the state.

On May 2, 1933 (Hitler became Chancellor on January 30, 1933) at 10 a.m. S. A. troops appeared in all the offices of the free (Socialist) trade unions and occupied the trade union buildings. As late as April 13, 1933, the leaders of the Socialist trade unions had been negotiating with the representatives of the

---

\*Rosenstock-Franck, p. 50. English translation from Salvemini, *Under the Axe of Fascism*, p. 374.

We cannot, of course, in so small a pamphlet give an adequate description of the social policies of the fascist state. We must refer the reader who wants details to three outstanding books: Professor Salvemini's *Under the Axe of Fascism*, Carmen Haiden's *Capital and Labor Under Fascism*, and Rosenstock-Franck's standard work on the corporate state, *L'economie corporative fasciste en doctrine et en fait* (Paris, 1934).—See also the bibliography of this booklet.

National Socialist organization of factory-cells, in order to "save" the trade unions. Already on March 21, 1933, the president of the Socialist trade unions, in a letter to Hitler abandoned all his former convictions, renounced political activity, and proclaimed the free trade unions' independence of all political parties. But all in vain! On May 2 the leaders of the trade unions, including him, were arrested.

The National Socialist factory-cell organization, an auxiliary of the National Socialist party inside particular factories and workshops, but not a trade union, put commissioners in the place of the arrested trade union leaders, and these then set about trying to do trade union work. This period of the *conquest of the trade unions*, however, soon came to an end. For the commissioners who had been appointed proved themselves wholly incapable of doing their work. Nor is this in the least surprising when it is remembered that all those who could not make good in any other walk of life, the desperate and the opportunist, sought shelter in the ranks of the Nazi party, where they hoped to obtain a new social status. And thus it was that all the new trade union commissioners were students, professional and salaried workers, and even shop owners, to whom every kind of trade union activity was a complete mystery. Since autonomous trade unions cannot be reconciled with the fascist state, this period of conquest was soon succeeded by the *period of emasculation*. By a law of May 19, 1933, thirteen Trustees of Labor were appointed for the whole Reich. These Trustees of Labor were officials of the Reich. With one solitary exception they were all former legal advisers to big employers' associations. These Trustees were to regulate wages and conditions of employment dictatorially. They alone, without any assistance from the trade unions, laid down collective "agreements" on wages and conditions. The trade unions were stripped of their functions and relegated to work of a purely educational character; in other words, the co-operative function was declared to be their only one.

After this suppression of the free trade unions the other two trade union federations voluntarily subjugated themselves and were absorbed into the conquered unions. A new organization, known as the German Labor Front, embracing all the former unions, was formed and recognized as the amalgamation of all the trade unions.

But the German worker, who has behind him a ten-year Social Democratic and trade union education, very soon began to show opposition. In countless meetings of the trade unions discontent was expressed with the fact that the national socialist party had not carried out any of the promises it had made during its fight against the Weimar Republic, that the standard of life and wages had not only not risen but had been appreciably lowered through the introduction of short-time work, through innumerable charities and collections for the many different organizations of the Nazi Party.



Finally, by a law of April 4, 1933, provision was made for the removal of Social Democrat, Communist and pacifist members of the works councils from their posts, and the police were empowered to appoint new works councils.

But the inherent tendency of fascism not to brook any independent movement between the state and the individual soon made itself apparent in the third period of the complete *destruction of trade unions*. The Nazi Party resolved to dissolve the employers' associations and trade unions and to transform the German Labor Front into one single union of all working people—workers, employers, and, indeed, even the middle-class. Today, therefore, the German Labor Front is an organization of single individuals, a mass-organization embracing 20-25 million people. In the main it is not organized on an industrial or occupational basis and only a certain section is divided according to industries. This organization is in reality just an asylum for that mass of individuals who enlisted in the National Socialist party in order to secure a means of livelihood.

Trade unions in the Italian, or even in the Russian, sense are therefore wholly unknown in Germany today. For his lost trade union freedom the German worker, like his Italian comrade, is offered a miserable and sterile substitute in the form of a new leisure-time organization called "Kraft durch Freude" (Strength through joy). The tremendous revenue of the German Labor Front is used partly to enable the worker to visit cinemas and theatres, to make trips and go on short journeys and to be educated in the National Socialist spirit.

Reverting to our division of the key-points of property rule made in Chapter I, we find that at all the five points, in the factory and workshop, in the business enterprise, in the labor market, in the commodity market, and in the state, the influence of the workers has been completely eliminated.

This fact stands out particularly clearly in the new law of January 20, 1934, "for the regulation of national labor." By this law the influence of the worker in the *shop or factory* is destroyed. Works councils are abolished. The works council is replaced by the Council of Confidence (Vertrauensrat). This Council of Confidence is under the chairmanship of the employer, who, however, is no longer called employer but "leader" (Fuehrer). Nor are employees workers but "vassals" or "following" (Gefolgschaft). The "men of confidence" (Vertrauensmaenner) are not elected by any free vote. The employer and the chairman of the Nazi factory cell select the candidates, who must be nationally reliable, from among the members of the staff. To the list thus drawn up the staff can say only Yes or No. If it says "No," the Trustees of Labor appoint the men of confidence.

From the very method by which this new Council of Confidence is constituted it is perfectly obvious that there can be no more talk of any autonomous

influence of the workers. But quite apart from this, the Council of Confidence has been stripped of all the functions possessed by the old works council. Factory legislation is once again vested exclusively in the employer, for he issues the factory rules and the Council of Confidence, over which he presides, can merely enter complaints to the Trustees of Labor.

The Council of Confidence's rights of collaboration in the administration of the factory are abolished. The fines stipulated in the factory rules are now fixed solely by the employer. The Council of Confidence is a purely advisory committee. Beside the existing labor law courts, new *Courts of Honor* have been set up which punish serious violations of duties "emanating from the community of the enterprise." Employers and employees may be punished if they complain frivolously and repeatedly without reason. The penalties which may be inflicted are: warning, reprimand, fines up to 10,000 marks (about \$2500), disqualification to act as leader (for employer) and dismissal (for employees). This revival of mediaeval guild law serves as a weapon against Jews, socialists, communists, and pacifists, who are to be eliminated by this legal procedure. And this whole system of the employer's dictatorial rule is veiled by paragraph I of the Labor Law, which states: "The employer as leader of the concern and employees and workers as vassals will work together in the concern and for the furtherance of the aims of the concern and for the common benefit of people and State."

All this is simply mediaeval feudal terminology, the aim of which is to veil the real core of the law, namely paragraph II. This paragraph says: "Decision in all matters affecting the vassals lies with the Leader."

*In the management of the enterprise*, the second point where property displays its power, the influence of employees is abolished, since both the law empowering the works council to send delegates to the board of directors and the law which gave them the right to scrutinize the balance sheet and profit and loss account of the concern have been declared null and void.

*In the labor market* even the slightest influence of the worker has been abolished. According to the new law the fixing of wage rates and regulation of conditions of employment rest primarily with the employer. The Trustee of Labor can decree minimum wages if the workers seem "insufficiently protected." Dismissals may be revoked by a labor court "if unjustly harsh and not motivated by the condition of the company."

The complete enslavement of the worker, the entire loss of every social status he had hitherto possessed, is thrown into relief most glaringly by the new regulation of the labor market.

*Emergency workers*, who had regularly been paid trade union rates of wages for their work, receive only a sum equal to their unemployment benefit. If they



do not care to lose their unemployment pay entirely, they must do arduous agricultural labor, road-building, etc. At the end of June, 1934, about 390,000 men were employed as emergency workers.

The second form of slave-labor is that of the *farm-helpers*. If these boys and girls, aged 18-25, do not want to forfeit their unemployment relief, they must work on the land. To a certain extent they now do the work formerly done by migrant Polish workers. As payment they receive free maintenance.

The third category of slave-labor is *the labor-service*, where young men are given a semi-military training and must do most exacting labor for a few coppers.

Finally, the law for the regulation of the labor surplus enables the authorities to repeal *the right of free migration*, i.e., to make it impossible for manual or salaried workers to move to better jobs. The middle ages have returned. The worker is chained to his place of labor.

What is true of the labor market is true also of the commodity market. Here, too, there can be no talk of any workers' influence. In the coal and potash industries the old trade union leaders have been displaced and reliable National Socialists put in their place.

At one decisive point the influence of the Reich has indeed been abrogated. The Bruening government had, at a very high price, acquired from a big industrialist (Flick) who was in financial straits, the majority of the shares in the Gelsenkirchen Mining Co. Ltd., which is part of the steel trust.\* The Reich had thus come to control one of the most powerful industrial undertakings. Not long after Hitler's seizure of power, however, the shares were sold to Thyssen and a group of his associates at a very much lower price. A huge reward for Thyssen for the financial support he had lent to the National Socialist Workers party!

The whole economic legislation of Germany is now *feudalistic*. Its one purpose is to protect monopolies, to prevent the interests of existing undertakings being damaged by the rise of new ones, and thus to guarantee monopoly revenue! The law of July 15, empowers the Reich Minister for Economic Affairs compulsorily to form new cartels and to prohibit the establishment of new concerns. The laws of May 12 and November 25, 1933, limit the right of establishing new trading centers. They forbid new department or chain stores—a partial fulfillment of the Nazi pledge to the small retailer. The Inheritance Law prohibits the selling (voluntarily or compulsory) of the land of peasants and is intended to make the slogan "Germany's future is based on blood and soil" come true. The social aim of this particular law is to privilege a

---

\*On this trust see Colman, *The Structure of Modern Industry*, W. E. A. Aids to Study, p. 53, published by the Workers Education Association (British).

small section of the community and to play it off against the majority, thus securing a reliable elite of 1,000,000 peasants. Yet even this privilege proves in the end to be a burden to the peasantry, for mortgage-loans cannot be obtained on unsaleable and non-transferable land. As the law applies only to 100 per cent Aryans, hundreds of peasants, anxious *not* to "benefit" from the Inheritance Law, are at pains to discover Jewish forefathers!

The state shows clearly and unequivocally that every element of workers' influence, indeed even the influence of the middle-class, has vanished, and that the old feudal powers—big capital, heavy industry, landed property, and the army—continue to rule, this time unencumbered by any democratic control or interference.

The Reich Economic Council has been dissolved. Its place has been taken by a General Economic Council, which is to advise the government. In the Economic Council there is only one so-called workers' delegate, namely Dr. Ley. All the other members of the Council are persons like Herr von Krupp, Dr. Thyssen, and Voegler, all old representatives of monopoly capitalism and heavy industry. By the Law of February 17, 1934, it has been made possible to organize Germany industry. The German economy has been divided into different branches. Each branch has been given a so-called leader. Among all these leaders there is not one single representative of the worker. The chief leader was Herr Kessler, the former director of a big electricity works. His deputy is Count von der Goltz, who plays an influential role in the landed estates of Pomerania. The other leaders are Herr Krupp von Bohlen-Halbach, Herr Thyssen, owner of the textile and machine factories, et al.

The German parliament has no powers. By the Law of March 24, 1933, the legislative power was transferred entirely—to the exclusion even of the president of the Reich—to the cabinet. All political parties other than the Nazi party were forbidden by the Law of July 14, 1933. Their formation, nay even the attempt to form them, is a criminal offence. Freedom of the press is a thing of the past. All the old constitutional rights of the Weimar Constitution, such as the rights of meeting and assembly, freedom of opinion, etc., vanished on February 28, 1933.

Innumerable laws (Mar. 29, 1933; Apr. 4, 1933; Oct. 13, 1933; Apr. 24, 1933) brutalize the penal law, increase the severity of punishments, especially for political offenses, and introduce the death sentence in countless new cases.

Germany thus differs in one vital respect from the Italian corporative structure. Whereas, formally at least, trade unions are recognized in Italy, even though they are not allowed any rights, in Germany they have been altogether abolished. The reasons for this are, mainly, that Germany compressed into the span of 12 months what Italy experienced in the course of a decade; that

the class-war in Germany had reached so great an intensity and bitterness that the new feudal lords now ruling Germany did not think it safe to recognize even a very moderate degree of trade union autonomy, since otherwise the fascist dictatorship would have been endangered by the contingency that these trade unions, though dependent, might become the rallying point for an opposition to the dictatorship.

But the union of monopoly capitalism and fascism does good to neither of the two parties. With its exorbitant expenditure on the new bureaucracy, the picked armies, its fantastic agrarian policy and its fight against the Jews, national socialism has bankrupted the state and now drags the entire economic system with it into ruin.

Moreover, the monopolist economy has demoralized national socialism. The Nazi movement is fast beginning to lose its hold on the masses. The ultimate cause of the alleged insurrection of the S. A. under Roehm is to be sought in national socialism's betrayal of the masses of the middle-class salaried employees and small peasants. The shooting on June 30, 1934, of those who paved Hitler's way to power, because they became inconvenient to his alliance with Thyssen, landed property, and the Reichswehr, bears out the statement we made when discussing the Italian system, namely that national socialism has *not one single political idea of its own*; that it has only one aim—to stay in power. All individuals, groups, or ideas which obstruct in its realization of that aim are betrayed and annihilated.

#### CLERICAL FASCISM

The fate of the *Austrian trade unions* need only be sketched in brief outline, since the Austrian situation is so vacillating that it can change practically every day. Austrian fascism is a *clerical fascism*. It is the regime of the dictatorship of the Catholic Church, the ancient nobility and a section of the peasantry, organized in the *Heimwehr*. The Church is *anti-German*, since in an overwhelmingly Protestant Germany it would lose its influence. It is opposed to Austrian national socialism for this, even if for no other reason, since the Austrian Nazis are actively working for the Anschluss. It is *anti-socialist* because Austrian Social Democracy pushed the influence of the Catholic Church on the educational curriculum into the background. It has, therefore, joined forces with the Heimwehr brand of fascism. During the fighting in February, 1934, the Pope sent his blessing to Dolfuss, the Austrian chancellor, who had signed a secret concordat with him on September 5, 1933.

The Austrian nobility loathes national socialism because Mussolini has ordered it to do so. On August 20, 1933, Dolfuss and Mussolini met at Riccione and they there came to sham agreements which placed Austria under Italy's protectorate.



The *Heimwehr* is a mercenary army, paid and equipped by Mussolini, who is opposed to the Anschluss because he dreads a powerful Germany and hopes to weaken the influence both of Germany and France by bringing about an Austrian-Hungarian bloc.

And so, on February 12, 1934, there was the general strike of the workers at Linz, which was deliberately provoked by the Heimwehr in order to clear away the last remnants of democracy and so establish their own dictatorship.

Austrian fascism is devoid of any sort of mass-basis. It does not even dare to arrange dictatorship elections. The constitution of May 1, 1934 was imposed by decree. Under it the trade unions suffered the Italian fate, they were absorbed by the state. The organizations of the state employees (railwaymen) had been forced to affiliate with the National trade unions even before the civil strife of February, 1934. The unions' independence was abolished.\*

## CHAPTER V

### THE TRADE UNIONS IN BOLSHEVIST RUSSIA

The characteristic tendency of a dictatorship not to brook any independent organizations intermediate between the individual and the state, is to be found also in the bolshevist system. But in handling Russian problems one must always keep two things in mind First, that prior to the triumph of bolshevism (October, 1917) Russia had never known a democratic nor even a liberal system of government. Bolshevism followed directly upon feudalism. Secondly: the bolshevist dictatorship embodies an idea: the idea of socialism. Consequently, the tasks and functions of the Russian trade unions must be different from those in capitalist countries. It is true that there are many institutional and structural similarities in the relation between the political party, the state and the trade union in fascist countries and in Russia. But these structural indentities must never lead us to the inference that the function of this relationship is identical.

In pre-war Russia trade unions played no role. At the All-Russian Trade Union Congress of 1906, 200,000 members were represented. In the period of reaction which succeeded the Revolution of 1905, the trade unions were almost completely destroyed.

On the eve of the War their total membership was approximately 50,000.

With the outbreak of the Revolution of February, 1917, which created a bourgeois-liberal State, the number of trade unionists increased to 1½ millions organized in 967 separate bodies. But this movement represented merely an unconsolidated, politically uneducated mass, which in the struggle between the

---

\*For a description of the political situation, see *The Nation*, May 27, 1936, "The Austrian Volcano, by M. W. Fodor.—Ed.

mensheviks and social revolutionaries on the one hand and bolsheviks on the other hand were continually being tossed hither and thither. It is characteristic, for instance, that the first Trade Union Congress held after the February Revolution which was numerically the third ever held, ended with a victory for the mensheviks. The Conference elected an "All Russian Central Trade Union Council," consisting of 5 mensheviks and 4 bolsheviks. Yet the bolsheviks succeeded since they won the October revolution in winning the rank and file of the workers to their side, and the first Congress after the October Revolution gave the bolsheviks a majority, so that on the new Council elected in January 1919, there were 7 bolsheviks and 4 mensheviks.

At this period, then, there existed the following organizations:

- (1) trade unions,
- (2) "Soviets of Workers' and Soldiers' Deputies," both of which were connected with the
- (3) factory committees, spontaneous creations in the large plants in Lenin-grad and Moscow, and having their central body in a central committee.

Before the Congress of 1919, the unions were dominated by the mensheviks, the Soviets mainly by the bolsheviks. After the Congress, however, as a consequence of the bolshevist success, the central committee of the factory committees' was abolished, so that now only unions and Soviets remained.

The idea of the Soviets itself is alien to the idea of bolshevism. The political theory of Lenin, who dominated the bolsheviks, consisted of two fundamental theses: The masses are not in and of themselves capable of developing a revolutionary consciousness. They can only acquire a trade-union consciousness. A revolutionary consciousness can be created only by a party of professional revolutionaries, that is, by a party which consists solely of members who consecrate their life and devote their whole time to the Revolution.

The conception that the Soviets could become the foundation of the revolution was irreconcilable with this ideology of Lenin's. Nor did the bolsheviks, in the 1905 revolution, form Soviets or in any way propose them. They rose spontaneously during textile strikes in May and June 1905, due mainly to the fact that trusted trade unions did not exist. During the revolution of 1905, the Soviets assumed political functions by replacing some of the functions of decrepit local governments. Only later, practically as late as October, 1917, did Lenin see their importance, not only as organs of the revolution, but as the very foundations of the Socialist society. The second All-Russian Congress of Soviets decided that the supreme power in the state should reside not in a parliament, but in this very assembly, and elected the famous provisional "workers' and peasants' government." Later conferences have affirmed this principle, and the constitution embodied it. But the constitutional form is often delusive. Resolutions adopted by conferences and constitutional provisions

do not say much about the actual working of state and society. In fact, the supreme power in the state lies neither with the soviets nor with the trade unions but with the Communist Party. In Stalin's famous table of values, strangely enough the Soviets do not appear at the top of the pyramid; the trade unions do, and are followed by the soviets, the co-operatives, and finally the party.\*

A short investigation is necessary in order to show the real place of trade unionism in the hierarchy of values and institutions.

During the *period of War-Communism*, which followed the October Revolution and lasted until the N.E.P. period (1921), the trade unions became *de facto* organs of the state. The trade union dues and contributions were deducted from wages and the trade union funds were subsidized by the state.

The *legal* absorption of the unions by the state was demanded by the Bolsheviks at the first Congress (1918), but this suggestion was rejected. The resolution rejected was worded as follows: "This Congress is firmly convinced that after the present unstable and transitory events have passed, the transformation of the trade unions into organs of the Socialist State will be inevitable." Nor did the second Congress, held in 1919, reach any decision. Lenin, true to his fundamental conception, believed the absorption of the trade unions by the state to be inevitable, but counselled a postponement of the decision on this question. But the same Congress paved the way for state acquisition by ordering the meetings of workmen in the factories to declare entry into the trade unions to be compulsory, i.e., by introducing compulsory combination. In 1920 the trade unions had 8,000,000 members. They were in fact state organs, with far-reaching economic functions.

Because of the change in economic policy *during the N.E.P. period* (1921), the trade union policy had to be changed too. The trade unions were now made independent of the state—against the advice of Trotsky, who asked for their transformation into units of a labor army. Henceforth the factories were to be operated on the basis of profit seeking and this necessarily led to a conflict with the trade unions. The fifth Congress (1922), therefore, laid down new directions for the guidance of trade union policy. The trade unions were still to remain the school of communism. They were to look after the interests of the state. Strikes, even disputes in state factories, were not allowed. Compulsory combination was abolished. But only Communist trade unions were recognized. The number of trade union members thereupon dropped at once to 4,480,000 at the end of 1922; but afterwards again increased gradually and steadily. During the N.E.P. period the position of the trade unions was completely vague and unstable.

---

\*Joseph Stalin, *Leninism*, 1928, Vol. I, p. 29-31. (The 1936 Constitution drops the soviets; voting is by place of residence, not by occupation.—*Ed.*)



They no longer had any say in the management of the factories, which was henceforth vested solely in the hands of the factory manager. In the economic field they had advisory functions. They had to protect the interest of the workers without, in so doing, obstructing the increase in productivity, and thereby damaging the interests of the state. That this situation gave rise to constant conflicts is hardly surprising.

*The period of the Five Year Plan* (1928) once again led to a change in the structure and functions of the trade unions. Russia's rapid industrialization could be brought about only through sacrifices, which had to come mainly from the workers. This meant that the policy of the trade unions had to be subordinated entirely to the needs of the Five Year Plan. An autonomous wage-policy could not, of course, be reconciled with a centrally directed economic policy. Wages, therefore, had to be centrally regulated. With this step, the trade unions were deprived of their main function—the marketing function. In Russia, as in Italy, this weakening of the trade unions provoked a conflict—a clash with Tomsy, the President of the All-Union Central Council of Trade Unions (AUCCTU), who unmistakably expressed the view that the position of the Russian unions is materially the same as that in capitalistic states and, therefore, demanded complete freedom of trade union action. The storm broke out at the eighth Congress (1928) and Tomsy's attitude was found to meet with considerable approval. But this opposition brought the Communist party into the arena. At the 16th party conference in May, 1929, it was decided to take energetic measures against all the "opportunists" and trade unionists who did not fall into line with the new policy. Shortly afterwards, the AUCCTU fell into line, dismissing its old leaders and electing new ones who were "loyal to the line." The resolution passed by the AUCCTU said:

The AUCCTU deems it extremely dangerous to set the trade unions against the Communist Party. The Council agrees with the 16th Conference of the Communist Party, which called for a strengthening of Communist leadership in the trade unions.

In a leading article in the trade union newspaper "Trud," of June 6, 1929, headed "Down with Opportunism; Long live the Leninist T. U. policy," the decision of the AUCCTU is commented on as follows:

We cannot allow the smallest division to exist between the trade unions and the Communist Party. For in that event there would be a latent danger that the tie which links the party with the proletariat, might snap. . . . The trade unions can be really recognized only if *they are under the strong and vigorous leadership of the Communist Party.*

The similarity of the Italian and Russian situation appeared in similar events. Like Rossoni, Tomsy had to relinquish the leadership of the trade unions. The new policy, by which the trade unions were made subservient to

the exigencies of the Five Year Plan, led to increasingly sharp conflicts, especially with Tomsy. Finally, the 1930 Congress of the Communist Party branded Tomsy an "opportunist" and declared:

The former opportunistic leadership of the AUCCTU was incapable of understanding the tasks which devolve on the trade unions under the proletarian dictatorship during the period of reconstruction. Nor is this all. It even resisted the attempts of the Party to organize the trade unions and to correct the serious mistakes committed by them. True to trade union tendencies, the former presidium of the AUCCTU actually excluded the party from the leadership of the unions, thus pursuing a most dangerous anti-Leninist policy in setting the trade unions against the party.

This finally ended the conflict. The party scored a complete victory over the trade unions. And since the party is the state, it was the state which triumphed. Under the new leadership of Kaganovich, the trade unionists were called upon to look to output, further "socialist competition," and form shock brigades to increase production. Thus the unions lost their marketing function.

But they have not even a really socialistic function. By the decree of September 7, 1930, the trade unions are forbidden to interfere with the functions of the factory manager. This decree, therefore, put an end once and for all to the Bolshevik practice of granting the workers the right to industrial collaboration.

That the unions are now mere friendly societies can be seen most clearly from the budget of the Central Trade Union Council for 1934, which was confirmed by the Soviet of Peoples' Commissars.

The total expenditure amounting to 5,050,000,000 rubles is distributed as follows:

Sick Pay and Pensions .....	1,514,200,000	rubles
Medical Assistance .....	1,040,100,000	"
Care for Children .....	327,000,000	"
Rest Houses .....	215,300,000	"
Curative Diets .....	57,500,000	"
Education .....	750,000,000	"
Capital Investment (Buildings) .....	884,900,000	"
Inspection of Labor .....	41,000,000	"
Organizational and Administrative		
Social Insurance .....	50,000,000	"
Central Reserve .....	170,000,000	"
	<hr/>	
	5,050,000,000	"

Only the sum of 41,000,000 rubles for Inspection of Labor can be regarded as expenditure on normal trade union functions.

If, now, we survey the whole trend of Russian trade union development, we come to the following conclusions:

*In the factory*, the protection of the workers' interests is entrusted to the trade union by virtue of the Decree of March 24, 1921. In this sphere their influence is great. But it must be remembered that their demands may never conflict with the interests of the state.

Works' Councils, according to the Labor Code of 1922 and the Statute promulgated in 1925, are only organs of the trade unions. For a time they had a voice in the management of the factories and workshops; indeed, the decree of November 14, 1917 about workers' control vested in them the exclusive right to such management. But this influence vanished as, step by step, the autonomy of the trade unions was abolished. Only trade unionists are eligible to the Works' Councils. The Works' Council is the organ of the trade union, whose directions it has to carry out. It controls the execution of factory laws for workmen's protection, collective wage agreements, etc. . . . Members of the Works' Council can be dismissed only with the concurrence of the trade union. Since the trade union is an organ of the party, and hence also of the state, serious conflicts of interest cannot arise.

*The labor market* is regulated by state law. In accordance with its statute of September 21, 1928, the Commissariat of Labor, after consultation with the Commissariat of Finance and the Central Council of the trade unions, determines the conditions of employment and wages. The collective agreements concluded between the trade unions and the state undertakings have, therefore, merely the character of executive regulations. By article 18 of the Labor Code and the Decree of February 17, 1933, collective agreements are to be in force for a period of one year. The wage policy at the moment, as Stalin announced in "Pravda" of July 5, 1931, aims at drawing from each worker the maximum possible amount of work. Piece- and time-wages are to be introduced wherever practicable. Equality of wages, which would be attainable only during the period of realized socialism, is not to be sought at present. Wages, therefore, are paid not according to need but according to efficiency. The AUCCTU expressly approved this wage policy (October, 1931).

For the settlement of disputes, arbitration boards and Labor Courts have been created.

*The state* is in the hands of the Communist party. How far the state is a workers' state cannot be discussed and decided here. That Russia is a dictatorship is indisputable. Whether the Russian people agree with that system, it is, owing to the total lack of any satisfactory standard of judgment, impossible to decide. Elections under the 1936 constitution may yield some evidence.

In any case, trade unions exist only in name. They are *de facto* educational—and cultural—unions and state organs, which the state uses to carry through the economic policy decided upon by the Communist party.



## CHAPTER VI

### THE FIGHT FOR DEMOCRACY AND THE TRADE UNIONS

WE SEE that the existence of trade unions and the preservation of their functions depends on liberal and democratic institutions. Only where the rights of political freedom, liberty of the press, meetings and assembly were firmly entrenched and social freedom and the rights to combination prevailed, have the trade unions been able to fight for the social and political liberty of the worker. Only democracy, coupled with political liberty, gave the working class the chance to exercise political power. Only democracy guarantees continuity of normal function. Even a reactionary government, so long as it pursues its reactionary policy on the soil of democracy and political liberty, will not be able seriously to endanger trade unionism. For control through public opinion and the limited power of the "ins" in a democracy, which gives the opposition the chance to attain power, prevents trade unions being destroyed or rendered illegal.

No modern dictatorship can recognize the trade unions as independent bodies. There are two reasons why it cannot do so. First, fascist dictatorship cannot commit suicide. And it would be suicide for it to allow independent workers' organization to continue in existence, even if these organizations were unpolitical, because the fact of independent organizations must inevitably lead to opposition against the fascist dictatorship.

Second, the fascist dictatorship, as the dictatorship of monopoly-capital and landed property, feudalizes society, i.e., it must transform society from a dynamic into a static phenomenon. It must allot to everybody including the worker, his station in society; and from this allotted station there is no upward movement. Fascist dictatorship turns the worker into a bondsman. Fascist dictatorship averts the danger which modern mass-democracy is to property by destroying democracy itself. In so far as the totalitarian states tolerates trade unions at all, they become either *de jure* or *de facto* state organs. But even then they are stripped of all influence. They are restricted to the most colorless of all functions and merely become propagandist and pleasure associations (Dapolavoro; Strength through Joy).

The totalitarian state is simply a mask. Totalitarianism under fascism means that all functions and activities in society are really under state control, that any rights of liberty independent of the state are not recognized.

Does fascism follow this formula? Yes, so far as the political sphere is concerned. Here, in the realm of politics, the process of state absorption and feudalization is carried through with exacting thoroughness. Political liberty is killed.

But fascism does not apply that formula in the economic sphere. For the totalitarian state theory is in reality the Bolshevik theory of the state in the period of transition to the proletarian dictatorship. Were fascism to take the formula of the totalitarian state seriously, it would have to socialize. Is there today a social organism that is more powerful than property? Undoubtedly not. In this case therefore, the totalitarian state ought to socialize. It does not do so. For it represents the rule, by dictatorial methods, of a small, exclusive, feudal-minded group over state and society. It uses dictatorial methods in the political sphere. The masses lose political function. They are inarticulate, they have no power of self-expression.

In the economic sphere, the fascist state is capitalistic. Of course, it is not liberal. It intervenes of course for the benefit of property, for the maintenance and strengthening of the feudal class's power. German and Italian legislation, of which we have here described but a very tiny part, prove this thesis to be correct.

Political science has rendered no greater disservice to knowledge than through its coining the words "negative" and "positive" state, and "non-interventionist" and "interventionist state." For we associate words like "negative state"—often quite involuntarily—with something bad and weak, whereas we think of "positive state"—again, often unconsciously—as something good and strong.

Nothing could be more erroneous than this. The negative state is neither good nor bad. The positive state, neither strong nor weak. Everything depends on the functions exercised by the state in the life of society. The negative non-interventionist state was a strong state in the laissez-faire economy, because the economic system was strong enough to maintain itself. In the laissez-faire period the negative state was just as strong as the economic system required it to be. Whenever it was a question of defending that economic system against internal disturbance (strikes) or external disturbances (war), then even this so-called negative state showed itself to be extremely strong, for it knew how to rally and organize forces for the defence of the system. Monopoly-economy, on the other hand, which is based on monopoly rents, must collapse in a negative state as soon as a really grave economic crisis occurs. In such a situation the monopoly-economy needs the help of the state in the form of tariffs, quotas, import prohibitions, stimulus to cartelization and open subsidies. Democracy under public control and criticism cannot come to the assistance of monopoly-capitalism in so generous a measure. Therefore, monopoly capital overthrows democracy and establishes the dictatorship of so-called totalitarian-interventionist state, which guarantees monopoly-rents, gags the workers and enslaves the citizen. The German cartel system, brought to the verge of financial ruin by the economic crisis of 1930-32, has been saved by the fascist state.

This positive-totalitarian state stabilizes the dictatorship of property in all its five spheres—and here we revert to the starting point of our study—as ruler over the individual in his capacities as worker, consumer and citizen.

Formal criteria, such as negative and positive, intervention and non-intervention, are no standard for us. We know only one final, authoritative standard: *The position of the worker in the system*. We are not concerned either with a strong or a weak state, as such, but solely with the question: How far does the state realize the dignity of the worker? Property should not dominate man, but man should dominate property. Circumstances should not sway the destiny of man, but man should control circumstances.

This final aim can be attained only in a democracy, which rests upon the identity of ruler and ruled and secures this end by the method of political liberty (right to vote, liberty of the press and of meeting and assembly) and the method of social liberty (freedom of combination).

This struggle for the realization of true democracy the working class can and must wage on two fronts: as a social struggle and as a political battle.

But at a time when the state has definitely entrenched itself as the organ of force in social relationships, when the form and contents of the state's functions have acquired increasing significance, *the fight for control of the state becomes the central task of the working class*.

This fight is a political fight. It demands that all the forces of the working class movement, including the forces of the trade unions, subordinate themselves to the political lead. It is just because of this that the English Trade Disputes and Trade Unions Act, 1927, is of such ominous significance.

This Act introduced various limitations upon the right to strike, partly with a view to preventing general strikes, but dealing also with other matters. Beside the restrictions on picketing-methods, the chief limitations are:

1. Any individual engaging in a trade dispute is liable to criminal proceedings if, because of his breaking a contract of employment, injury or danger or grave inconvenience to the community is likely to result.
2. A strike is illegal which has any object other than, or in addition to the furtherance of a trade dispute within the trade or industry in which the strikers are engaged. Sympathetic strikes are illegal beyond a certain point.
3. A strike is illegal if it is designed or calculated to coerce the government either directly or because it would be reasonably likely to inflict hardship upon the community.\*

---

\*That is, the strike is to be held illegal if both 2 and 3 fit it. The act also says that it is not to be viewed as coercive unless coercion can reasonably be expected as a consequence. The protections of the 1906 act (see Chapter II) are not to apply to persons carrying on an illegal strike. It is a crime to instigate strike activities in an illegal strike.—*Ed.*



The political authority of the English trade unions is, thus, narrowly circumscribed by law, and the most important weapon for the defence of democracy—the strike—has been taken away from them.

Today, therefore, it is no longer a question of a little more or a little less social reform, of more or less social legislation, but it is a question of the destiny of the entire working class. Whoever recognizes the trade unions to be an indispensable factor in this fight, and realizes that their existence and functions as independent organs can be assured only on a democratic soil, must also admit that politics and the political struggle predominate over the trade union struggle.

The fight for democracy is at one and the same time also the fight for Socialism. Democracy, to be sure, rests on liberty, but its substance is *equality*.

The idea of popular sovereignty means that ruler and ruled are identical. But if this is true, every individual must have an equal share in democracy. This “share” of the individual in political rule has, in the course of history, undergone decisive changes; it has—to reduce it to a short formula—passed through four stages.

Equality was first of all *personal equality*. What this meant becomes clear when we contrast it with the state of slavery; with bondsmanship and feudal institutions.

Equality, secondly, is *legal equality* and means that existing laws must be applied equally to everybody, irrespective of religion, race, social status, profession or sex. This form of equality does not forbid the creation of unjust laws—but it does forbid the unequal application of laws, be they good or bad, and in particular favoritism toward certain groups on the part of judges and administrative officers.

Thirdly, equality stands for *political equality*. This form of equality finds expression in such institutions as the equal right to vote, equal accessibility to all public posts, etc.

But finally, equality is *social equality*. All political institutions of democracy are perverted by private property in the means of production. Personal, legal, political equality—they all can be fully realized only when private property is abolished, when men have an equal control over property.

The trade unions have, therefore, a vital social and political function. As social unions they use their economic power for the limitation of the dictatorship of private property. As political unions they fight for political machine of democracy, so long as democracy prevails.

## BIBLIOGRAPHY

### THEORIES OF THE LABOR MOVEMENT

- Harold E. Clay, *Trade Unionism: Some Problems and Proposals* (Socialist League) (British).
- J. R. Commons, *Principles of Labor Legislation* (4th edition out September 1, 1936), Chapter "Collective Bargaining." Cf. his *Legal Foundations of Capitalism* (1924) and *Institutional Economics* (1934).
- Karl Marx, *Capital*, Vol. I, Part 3.
- S. Perlman, *A Theory of the Labor Movement* (1928).
- F. H. Richardson, *Industrial Relations in Great Britain*, International Labour Office, Studies and Reports, Series A, No. 36 (1933).

### THE LAW OF TRADE UNIONS AND STRIKES

- E. Berman, *Labor and the Sherman Act* (1930) (American).
- E. Berman, *Labor Disputes and the President of the United States* (1924).
- M. Goldbloom and others, *Strikes Under the New Deal* (1935) (L.I.D. pamphlet).
- R. Y. Hedges and A. Winterbottom, *Legal History of Trade Unionism* (1930) (British).
- International Labor Office, *Freedom of Association*, 5 volumes, (1927-1930), Studies and Reports, Series A. Covers almost all countries, including the United States.
- International Labor Office, "Settlement of Labor Disputes in Italy," *International Labor Review*, October 1934, p. 509 ff.
- L. MacDonald, *Government and Labor* (1935) (New York, Affiliated Summer Schools).
- W. Milner-Bailey, *Trade Unions and the State* (1934), especially Part 3.
- E. Stein and others, *Labor and the New Deal* (1935) (New York, F. S. Crofts), Chapters 4 and 6.
- Twentieth Century Fund, *Labor and the Government* (1935). This was put into pamphlet form under the title *Labor and the New Deal* (1936) (not the one by Stein, above; written by Louis Stark of the N. Y. Times) (American).
- N. J. Ware, *Labor in Modern Industrial Society* (1935), especially Chapter 16, "Labor and the Courts."
- E. E. Witte, *The Government in Labor Disputes* (1932) (American).

### HISTORIES OF TRADE UNIONISM

- P. F. Brissenden, *The I.W.W.* (1919). Cf. J. S. Gams, *The Decline of the I.W.W.* (1932) (American).
- G. D. H. Cole, *A Short History of the British Working Class Movement*.
- J. R. Commons and Associates, *History of Labor in the United States*, 4 volumes. The first two volumes, published in 1918, brought the history to the 1890's. For the third and fourth (history to 1933), see respectively Lescohier and Perlman, below.
- H. W. Laidler, *Boycotts and the Labor Struggle* (1914).
- D. Lescohier and E. Brandeis, *History of Labor in the United States*, Vol. 3, "Working Conditions" and "Labor Legislation" (1935).
- L. Levine (L. Lorwin), *Syndicalism in France (The Labor Movement in France)* (1912, revised in 1914).
- C. M. Lloyd, *Trade Unionism* (1928) (British).
- L. L. Lorwin, *The American Federation of Labor* (1933).
- S. Perlman and P. Taft, *History of Labor in the United States*, Volume 4, "Labor Movement" (1935). Cf. Perlman's earlier *History of Trade Unionism in the United States*.
- D. J. Saposs, *The Labor Movement in Post-War France* (1931).
- R. Seidel, *The Trade Union Movement in Germany* (1928) (British).



- N. J. Ware, *The Industrial Worker, 1840-1860* (1924) (American).  
 N. J. Ware, *The Labor Movement in the United States, 1860-1895* (1929).  
 S. and B. Webb, *History of Trade Unionism* (1920 edition) (British).

#### THE STATE AND THE TRADE UNIONS

- R. A. Brady, *The Rationalization Movement in Germany Industry* (1933).  
 G. D. H. Cole, *Guild Socialism Restated* (1920).  
 Foreign Policy Association, *Foreign Policy Reports*, Jan. 16, 1935, "The Economic Situation in Italy: The Corporative System."  
 Foreign Policy Association, *Foreign Policy Reports*, Sept. 26, 1934, "The Economic Structure of the Third Reich."  
 C. Haider, *Capital and Labor under Fascism* (1930).  
 K. Heiden, *A History of National Socialism* (1934). Cf. his *Hitler: A Biography* (1936).  
 H. J. Laski, *The State in Theory and Practice* (1935). Cf. His *Grammar of Politics and Democracy in Crisis*.  
 A. Losovsky, *Marx and the Trade Unions* (1935). Cf. his *The World's Trade Union Movement* (1925).  
 J. T. Murphy, *Modern Trade Unionism* (1935) (British).  
 F. Neumann, "The Decay of Germany Democracy," *Political Quarterly*, 1933, iii.  
 A. Nin, *The Struggle of the Trade Union Against Fascism*.  
 R. Palme-Dutt, *Fascism and Social Revolution* (1934).  
 C. W. Pipkin, *Social Politics and Modern Democracies*, 2 volumes (1931).  
 Vol 1, Great Britain; Vol. 2, France.  
 Arthur Rosenberg, *The Birth of the German Republic* (1932).  
 G. Salvemini, *The Fascist Dictatorship in Italy* (1927).  
 G. Salvemini, *Under the Aze of Fascism* (1936).  
 H. W. Schneider, *The Making of the Fascist State* (1928).  
 F. L. Schuman, *The Nazi Dictatorship* (2nd edition, 1936).  
 N. M. Shvernik, *Reorganization of the Work of the Trade Unions* (1934) (Moscow-Leningrad) (Russian trade unions).  
 R. M. Stein, *M-Day: The First Day of War* (1936).  
 T. Veblen, *Imperial Germany and the Industrial Revolution* (1915).  
 S. and B. Webb, *Industrial Democracy* (1920) (British).  
 S. and B. Webb, *Soviet Communism*, 2 volumes (1936), volume 1, p. 161ff.

#### THE MIDDLE CLASS

- L. Benjamin, *The Position of the Middle-class Worker in the Transition to Socialism* (1936) (pamphlet of the Labour Party, London).  
 H. N. Brailsford, "The Middle Classes and Revolution," *World Tomorrow*, August 1933, Vol. 16, p. 466ff.  
 John Corbin, *The Return of the Middle Classes* (1924). Urges them to support employers against proletariat.  
 Lewis Corey, *The Crisis of the Middle Class* (1935).  
 International Labor Office, "The Trade Union Movement among Salaried Employees," *International Labor Review*, Vol. 15, No. 3, pp. 414-430.  
*Jewish Frontier*, October 1935, pp. 5-6, 9-2, a symposium on the Middle Class, by Thomas, Swing, Lestshinsky, and Hook.  
*New Masses*, April 6, 1936, devoted to a symposium on the Middle Class.  
 Maurice Rabinowitz, "The Trade Union and Office Workers," *American Federationist*, November 1931, Vol. 38, pp. 382-7.  
 D. J. Saposs, "The Role of the Middle Class," in *Economic Essays in Honor of W. C. Mitchell* (1935).



## *Marx, The Man*

KARL MARX—THE STORY OF HIS LIFE. *Franz Mehring*. Translated by Edward Fitzgerald. New York, Covici Friede. 1935. 608 pp, \$5.00.

ALTHOUGH Karl Marx lived in England during the most productive years of his life, the English speaking world was forced to wait for over a half century following his death for an English translation of an authoritative, genuinely definitive story of his remarkable career. In England and America, it is true, during the last fifty years there have appeared the brief biographies of Marx by Liebknecht, Loria, Laski and Beer, the over-sentimentalized volume by Spargo, the semi-psychoanalytic analysis by Otto Rühle and other studies, but nothing has been printed approaching a complete and satisfying description of the famous founder of scientific socialism.

Franz Mehring's volume, translated by Edward Fitzgerald, supplies this gap. To Fitzgerald, the reader is indebted for an excellent job of translation. The biography was first published in Germany in 1918. It appeared as one of the final literary ventures of Mehring, brilliant author and critic, a foremost socialist historian and theoretician, and proclaimed by many "the greatest literary man the socialist movement has yet produced."

Mehring was, during the latter part of his life, a left-wing socialist. Throughout the war, he remained true to his international socialist principles and, despite his advanced years, spent many months in prison. He died in January, 1919, shortly before his 73rd birthday. The biography of Marx he dedicated to his friend, Clara Zetkin.

There is not a phase of Marx's life which Mehring does not accurately portray: his boyhood in the family of a cultured and distinguished lawyer, turned Christian; his brilliant, though erratic career at the university; his courtship of, and marriage to the handsome and talented Jenny von Westphalen; his entrance into the socialist movement; his first attempts at the formulation of socialist theory; his connection with the early Communist League; his exile to England; his life of scholarship, of leadership and of tragic poverty in London; his mighty contributions to economic and social theory and to the developing revolutionary movement of that day and, finally, his last days and death. In preparing his material on the second and third volume of *Capital*, Mehring received great assistance from Rosa Luxemburg.

No library on social problems is complete without this book. Though the reader may disagree with Mehring in some of his interpretations of Marx, he cannot be but grateful to the author for the careful scholarship and the force and clarity of this monumental volume.

HARRY W. LAIDLER



L. I. D. NOTES—(Continued from page 3)

"Believing in the importance of developing neighborhood L.I.D. groups, two sections of the city have been developed, and excellent committees have been formed in Harlem and Bensonhurst.

"The New York City L.I.D. participated in the Joint May Day parade and is active in the New York City Scottsboro Committee.

"Funds for the L.I.D. were increased by holding a raffle for two season tickets for the Theatre Guild Plays and the drawing was made at a benefit of 'Triple A Plowed Under,' one of the Federal Theatre project plays."

*Philadelphia.* During the Spring, the N-E-O-Seminar of Philadelphia—N.E.O. standing for the New Economic Order—became affiliated with the League for Industrial Democracy. The N-E-O has, during the last few years, attained a high position in the intellectual life of the city and the League feels justly proud of this new affiliation. B. Seaver, the Executive Secretary of the N-E-O, thus describes the valuable activities of this organization:

"The Philadelphia branch of the L.I.D. dates officially only from March 10th. However, Neo-Seminar has conducted this year, as for the past three years, educational activities of various kinds.

"Since the beginning of October, we have had open forum discussions every Sunday evening addressed by outside speakers on subjects of social interest. On Monday evenings we have had regular class work in 'The Philosophy of Social Change,' 'Technology and Social Change,' and 'The Economics of Social Change,' the courses being given successively by members of Neo-Seminar. Thursday evenings have been devoted to another course on 'The Factors of Social Change' and on Wednesday evening we have had a series of discussions on 'Current Events and Current Social Literature.' All of these groups have now been consolidated into one which is studying Marxism and which will occupy us until May every Wednesday evening.

"Our members have been in considerable demand this last season as speakers and leaders of outside groups. In this work we have cooperated with the Debs School, the West Philadelphia Branch of the Socialist Party, the Young Circle League, Young Workers of Zion, and other organizations.

"Also Neo-Seminar this year published a pamphlet entitled 'Social Change—A Marxian Point of View,' by S. Feinstone. An edition of one thousand copies has been sold in Philadelphia and we are informed that it has been used as a basis for study of several outside groups including an adult study group held at the Frankford High School.

"Since the organization of the A.S.U. they have been using our headquarters for all of their meetings and we are cooperating with them in every way possible.

"A research is being carried on at present under our auspices on the subject



of a city college in the hope that it will help the work being carried on for a Philadelphia City College.

"We have at present no further plans for the future as these will not be formulated until our next board meeting."

*St. Louis.* William P. Mason, Chairman and Edith Hall, Secretary, St. Louis Chapter, write the following regarding the chapter's activities this season:

"Public lectures is the area in which most of our energies in the past have been consumed, although we have tried to be helpful in extending student activities in Washington University and Eden Seminary.

"Some support has been given to strikes, civil liberty and peace group and cooperative movements. We have left most of the strike activity to organizations especially created to serve a specific purpose in its own field, feeling that perhaps the educational character of L.I.D. may be accomplished more effectively in this way, but there is nothing dogmatic about our attitude, and we feel sure the informed citizenry have us properly tagged.

The Chapter held many important lectures during the year in Soldan High School.

*Chicago Chapter.* The Chicago Chapter, during the year, under the efficient and devoted Secretaryship of Bernard Kirby, held numerous Saturday luncheon discussions.

The Chapter published during the season a *Fortnightly Letter*, dealing with its activities and plans. It established under its auspices a Speakers' Bureau and scheduled speakers before many forums. It cooperated closely with the Illinois Workers' Alliance and other groups.

During the week-end of June 6 and 7, the Chapter held its June Conference on "War Against War." The Conference was highly successful.

*Detroit.* Gladys Marckwardt of the Detroit Chapter reports an increase of 40 per cent in membership over last year, and an increase in the attendance at the chapter meetings of 150 per cent to 200 per cent. The chapter conducted 8 lectures during the year outside of the regular series and cooperated with the American Civil Liberties Union, the labor unions and the peace movement. In addition it has helped financially in various undertakings such as the Tampa trial, several strikes in Detroit and elsewhere. It likewise assisted in the organization and promotion of the American Student Union.

*Baltimore.* Asbury Smith of the Baltimore Chapter reports that the chapter has been active in the compilation of a list of the members of liberal organizations of the city. This Spring it formed three committees on economic education, on legislation and on civil liberties. It is likewise planning to start a speakers' bureau and is looking forward to an active season next year.